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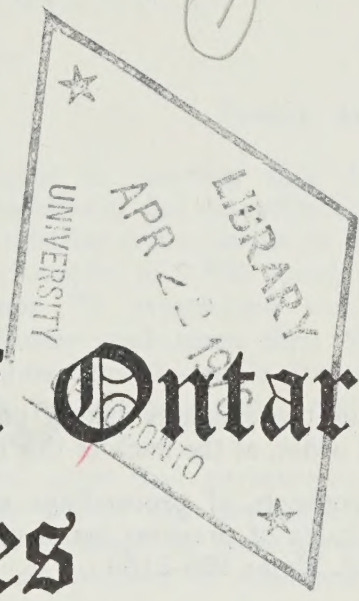
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Legislative Assembly



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, April 9, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 9, 1976

The House met at 10 a.m.

Prayers.

Mr. Speaker: Statements by the ministry.

FIRST MINISTERS' CONFERENCE

Hon. Mr. McKeough: Mr. Speaker, on behalf of the Premier (Mr. Davis), who is attending a funeral in Ottawa this morning, I am tabling the response of the government of Ontario to the proposal of the Prime Minister of Canada for two conferences of first ministers. The first meeting is proposed for early in May to discuss oil and gas pricing, and the second for mid-June to discuss shared cost programmes.

The Premier has asked that these two items be discussed at a single meeting in May and urges that these be discussions in public. In frank terms, Mr. Speaker, a brief private luncheon at Sussex Dr., as has been proposed, is not in our opinion the most appropriate form to resolve matters of such broad import to all Canadians.

In addition, it is the government's view that the shared cost item be broadened to include other aspects of federal-provincial financial arrangements such as equalization and the revenue guarantee. This will ensure that oil and gas pricing is considered in the full and proper context of federal-provincial financial relations.

I have a second statement and documents to be tabled which can't be done until 11 o'clock and I shall be asking that we revert to statements at that time; perhaps, Mr. Speaker, you will want to allow another five minutes of questions at that time.

Mr. Lewis: Can the Treasurer give us the subject matter?

Hon. Mr. McKeough: The constitution.

SUMMER JOBS FOR STUDENTS

Hon. Mrs. Birch: Mr. Speaker, young people in the province are already discovering that the summer job market is extremely tight this year. As many as 600,000 students may be looking for work.

To assist in meeting this demand, the Youth Secretariat has co-ordinated the efforts of 15 ministries and agencies in offering summer employment to 7,800 young people. The Experience '76 programme was announced last February and since then thousands of applications—almost double the mail at this time last year—have poured into the Ontario government.

We recognize that government alone cannot meet all of the demands for summer jobs, but to assist in meeting some of the need, I am pleased to announce today that we are expanding the Experience '76 programme to provide for an additional 1,300 positions. This will bring the cost of the programme to \$12.3 million from \$10.3 million, and will provide about 9,100 jobs through Experience '76.

I would like to note that approximately another 10,000 jobs have been offered through the government's programme of hiring students as replacements for vacationing staff and for special projects carried out during the summer months by the various ministries of the government.

As the members are already aware, the deadline for applications from post-secondary students for the Experience '76 programme was extended by one week to next Monday, April 12. Students in the secondary school system have until April 30.

As I have already indicated, the Ontario government alone knows that it cannot meet the student employment problem, but we do hope that the Experience '76 programme and the summer replacement programmes will encourage the private sector to join with us in the recognition of the desire and the needs of many of our young people to be gainfully employed this summer.

FEDERAL HOUSING GRANTS

Hon. Mr. Rhodes: Mr. Speaker, I wish to inform the hon. members of a new federal-provincial agreement that will enable Ontario municipalities to obtain federal grants designed to stimulate the production of modest-sized, medium-density housing.

Central Mortgage and Housing Corp. will provide a \$1,000 grant for each unit of medium-density housing of modest size and price for which the eligible municipality has issued a building permit.

In order to be eligible for the grants, any Ontario city, town or village whose council forwards a resolution to the Ministry of Housing stating that the funds will be used to facilitate housing production, will be issued a certificate of eligibility that will qualify that municipality to apply for the federal funds.

This programme is an incentive for municipalities to permit the development of more land for medium-density housing and generally to encourage a more economic use of land.

Units eligible for the grant must be for permanent residency, self-contained, connected to municipal water and sanitary services, and on roads which have a gravel surface or better. They will range in size from 400-sq-ft bachelor suites in apartment buildings to 1,300-sq-ft, four-bedroom units in other types of structures. Mobile homes on site and ready for occupancy, and bearing CSA certification No. Z240, are eligible.

House prices must not exceed the top limit established for the community under the federally assisted home ownership programme. These maximums range from \$34,000 in some municipalities to a high of \$47,000 in Metro Toronto.

We are talking about two density ranges, 10 to 45 units per acre for "mature" lands and 10 to 30 units per acre for all other lands.

I should perhaps emphasize that these grants are not home buyer grants but grants made to the municipality for the specific purpose of assisting in the production of housing. Municipalities that participate in the programme will be required to provide my ministry with an annual report showing how the federal grants were spent.

We welcome the programme and view it as an opportunity to help ease the burden that housing can impose on a municipality. I invite and encourage Ontario's municipalities to utilize this programme, which will assist us in our efforts to make more housing available at prices people can afford to pay.

Mr. Speaker: Oral questions.

UNITED ASBESTOS PLANT

Mr. Lewis: Mr. Speaker, a question for the acting Minister of Health. Since the minister

said in Hansard on April 1, about Matachewan:

The union is most enthusiastic about the Ministry of Health's efforts and the Ministry of Natural Resources' efforts to clean this plant up. . . .

The workers within the plant are anxious to have it function as well and they are co-operating tremendously well in the process of improving the environmental health. . . .

how does the minister account for the fact that less than one week later the workers at Matachewan walked out in protest against the absence of any obvious improvements in the conditions in the plant, and have effectively closed that plant down until some intervention occurs?

Hon. B. Stephenson: Mr. Speaker, the plant is not closed down. About one-third of the picketers who were picketing in this wildcat strike yesterday have, in fact, gone back to work. The plant is running—

Mr. Wildman: Is that a good thing or a bad thing?

Hon. B. Stephenson: —and yesterday, as a result of the information which we received from the unanticipated visit—unanticipated by either the company or the union—of the inspectors from the health protection branch on Monday and Tuesday of this week—

Mr. MacDonald: Is that the first time?

Hon. B. Stephenson: Oh, no, it is not the first time. But there was a meeting yesterday in Toronto with the president of the company and ministry officials of both Health and Natural Resources. The president of the company is now much more aware of the responsibilities which the management—

Mr. Reid: How much does it take?

Mr. Speaker: Order, please.

Hon. B. Stephenson: —has apparently not transmitted to him as fully as they should have, and we are again hopeful that as a result of his increased knowledge and increased awareness, there will be real action to clean up the plant.

Mr. Lewis: Supplementary, if I may: Just by way of clarification, did the minister say there was a meeting between the president of the company—based in Quebec—and the ministries?

Hon. B. Stephenson: Officials of the ministries.

Mr. Lewis: Were any workers involved in the meeting?

Hon. B. Stephenson: Yesterday?

Mr. Lewis: Yes.

Hon. B. Stephenson: No, the workers were involved in the meetings in Matachewan yesterday.

Mr. Lewis: What kind of cozy little relationship do we have when they bring the president down to meet with the ministries, which have been unable to clean up the plant, and they do not have the workers there, who are wanting the plant cleaned up and seem to be the only people who understand what needs to be done?

Hon. B. Stephenson: The meeting, Mr. Speaker, was held at the request of the president of the company.

Mr. Lewis: Very nice to accommodate him.

Hon. B. Stephenson: It was not "a cozy little arrangement." It was a meeting at which—

Mr. Lewis: It certainly was.

Mr. Renwick: You ought to refuse such meetings.

Hon. B. Stephenson: —the president was very firmly informed of the intentions of this government regarding the health protection of the workers in that plant.

Mr. Reid: Supplementary: How does the minister explain, after all this time, that such a meeting should even be necessary? Is there something wrong with the communications between those two ministries and the plant and the people there? Why do we have to wait, and why do the workers have to put up with this for this length of time?

Hon. B. Stephenson: Mr. Speaker, there is certainly at this point no lack of communication between the ministries. The lack of communication was apparently between the management of the plant in Matachewan and the man who owns the company, and that's where the problem lay.

Mr. Bain: Is the minister aware that the men claim that, in fact, conditions at the plant have worsened since the visit by the Minister of Natural Resources (Mr. Bernier)?

Mr. Lewis: Because of his visit.

Mr. Bain: Is she also aware that the men are ready at any time to go back into the plant if the company will shut the plant down and, with the men, clean up the mill and get the machinery in proper working

condition again? The company refuses categorically to do this. What will the minister personally do to intervene and get the company to respond in a reasonable fashion?

Hon. B. Stephenson: Mr. Speaker, I am aware the workers say the conditions are worse. I am also aware that Mr. Rajhans, who visited the plant on Monday and Tuesday, has not reported that in his initial report. He does not have all of the monitoring test reports available to us, but his verbal report was, in fact, that conditions were not worse; that there was some slight improvement. I am not aware that the workers have said they will go back to work if they close down—

Mr. Lewis: You are such an inveterate apologist!

Mr. Speaker: Order, please.

Hon. B. Stephenson: —but I am aware that this suggestion has been made to both the union and to the company.

Mr. Lewis: Mr. Speaker, another question along that line: I don't understand why the partisanship in this place requires the minister to become an apologist for the company. Why is it not possible simply to do what every intelligent person wants her to do—close down the plant, clean it up and then reintroduce the workers into the environment?

[10:15]

Hon. B. Stephenson: Mr. Speaker, I think I have not functioned as an apologist for anyone. I am trying very diligently to ensure that the standards which are set in the Province of Ontario—and which are, I would remind the Leader of the Opposition, the most rigid in Canada—are met by a company which is beginning a new plant and is having engineering and management problems with that plant—which, I think, is of some vital economic resource to the people of that area. During that period we protect the workers as best we possibly can. That's precisely what we are trying to do. An apologist I am not.

Mr. Reid: A supplementary.

Mr. Speaker: This will be the final supplementary on this question.

Mr. Reid: In view of the seriousness of the situation, instead of sending somebody in on spot checks, does the minister not consider that it might be worthwhile to have someone from either the Ministry of Health or Ministry of Natural Resources—preferably Health—on duty day to day until the mess is cleaned up?

Hon. B. Stephenson: Mr. Speaker, that is an interesting suggestion which I shall consider very seriously.

Mr. Speaker: Any further questions? No, that was the final supplementary. This is getting to be a long prolonged debate. The Leader of the Opposition with further questions.

Mr. Germa: A supplementary—

Mr. Speaker: I said that was the final supplementary.

LAND SPECULATION

Mr. Lewis: I would like to get back to the Minister of Agriculture and Food, our favourite adversary in the Legislature.

May I ask the Minister of Agriculture and Food, following from his suggestion to me yesterday that I spend some time at Guelph and learn something about agriculture, is he aware of the land market characteristics material which Guelph is using on farm land in Ontario, dealing with Pickering, Markham and Oakville, showing that in the period from 1968 to 1971 the transactions which took place in those areas were 99 per cent speculative in Pickering; 82 per cent speculative in Markham; and 96 per cent speculative in Oakville? Has he any evidence or is there any work in his ministry to demonstrate that that trend has been reversed?

Hon. W. Newman: Mr. Speaker, can the member give me the dates? What were the dates when that was done?

Mr. Lewis: The period from 1968 to 1971; they went to the registry office.

Hon. W. Newman: Mr. Speaker, I can speak from personal knowledge on that particular situation. I would like to particularly point out concerning Pickering, where I live, and land speculation, that there was a tremendous period in that period of time, actually from about 1966, I would say, until about 1972 when the land speculation tax and the land transfer tax came in. I don't know exactly the dates they came in. Was it 1974? From that point on, whenever it came in—

Hon. Mr. Handleman: It was 1974.

Hon. W. Newman: I can tell the member there have been about three farms—actual farms—turned over in the rural part of the municipality. It has come to a halt.

Mr. Godfrey: Three?

Mr. Lewis: You have got to be kidding. Where you represent them you mean?

Hon. W. Newman: Pardon?

Mr. Lewis: You mean in Durham North?

Hon. W. Newman: No. I was referring to the township of Pickering—the town of Pickering, sorry.

Mr. Lewis: Town of Pickering.

Mr. Deans: Why doesn't he speculate?

Hon. W. Newman: In the south end of the town of Pickering, where it's zoned industrial and residential, yes, there has been a turnover of land. But, by and large, in the agricultural area the speculative thing has basically come to a halt.

Mr. Lewis: By way of supplementary, does the minister realize that the speculative transactions in those areas and other areas involved sale prices then of \$2,460 an acre on the average in Pickering; \$3,346 an acre on the average in Markham; \$2,587 an acre on the average in Oakville?

Can I ask him what he would think of Mr. Hoffman's comment, in his special article in 1975 for Guelph, in which he says: "Land valued at \$2,000 or \$3,000 or more per acre today is unlikely to be used for agriculture. Indeed, there seems to be a strong indication that currently there is little profit in growing common field crops on land with a value greater than \$500 per acre"? How is the minister going to rescue all this land he is talking about if Hoffman is right?

Hon. W. Newman: Mr. Speaker, I am glad the member asked that question because I think it is a very important question. Again, I will come back to Pickering. The last farm—I don't know if it was sold—was a distress sale by a certain person whose husband died. It was at about \$1,400 an acre. The land down in that great county where our Treasurer (Mr. McKeough) comes from, which is some of the most productive land in the Province of Ontario is selling in the range from about \$1,500 to \$2,200 an acre—

Mr. Lewis: Higher than that.

Hon. W. Newman: It may be even higher in some instances—

Mr. Lewis: It is higher.

Hon. W. Newman: It is being used for agricultural purposes at this point in time.

Mr. Lewis: Is the minister feeling very confident about his facts about land around Chatham? Does he know what's happening in that part of the province in a serious way?

Hon. W. Newman: Yes, sure.

Mr. Lewis: He really does?

Hon. W. Newman: Fairly well.

Mr. Lewis: Yes.

Hon. W. Newman: Yes, I have a—

Mr. Lewis: Maybe we will deal with that at some point.

Hon. W. Newman: Okay, fine.

CLOSING OF CHEESE FACTORIES

Mr. Lewis: One last question for the Minister of Agriculture and Food, if I may: Is he aware that the number of cheese factories across the province has declined by 60 per cent in the last four years; and that in the eastern region of Ontario itself they have declined from 45 in 1970-1971 to eight in 1975-1976; and is there anything in the world that can be done in the agricultural industry to protect these cheese factories from major absorption by the conglomerates?

Hon. W. Newman: Mr. Speaker, I think with the quota allocations to the cheese plants in eastern Ontario now, the cheese plants are doing all right. There was a major consolidation a few years ago under the former minister when there were some problems, but now I think by and large most of the cheese plants—as the member knows there are applications—

Mr. Lewis: No, I don't know.

Hon. W. Newman: —before the milk industry branch now for further plants and they are being looked at at this point in time. These are applications to build new plants.

Mr. Lewis: How many applications are before—what body is the minister talking of—before which board, the OMMB?

Hon. W. Newman: The milk industry branch.

Mr. Lewis: How many applications are before them?

Hon. W. Newman: I believe there are two at this point in time.

Mr. Lewis: Two applications do not represent a startling increase.

Hon. W. Newman: One is for a cheese plant and the other is for a whey utilization plant.

Mr. Lewis: One application—in the singular—for a cheese plant, despite the fact that the minister has lost over 60 per cent in the last four years.

LAND SPECULATION

Mr. Lewis: One last question: What detailed research is the ministry doing in the Province of Ontario to look at the increase in the acquisition by private companies for speculative purposes of land that is now farm land? What breakdown has the minister, county by county, of the value of the land transfers, the sales of farm land, in the last year to two years and the consequence for food production? And what information has he precisely on the acreage that is being returned on a county by county basis?

Hon. W. Newman: We do have some figures on some counties on a county to county basis on the amount of agricultural land that has come back, and the figure in the statement I gave yesterday—

Mr. MacDonald: Which one—7.8 per cent or 6.6 per cent?

Hon. W. Newman: At least the member is beginning to agree that the 26 acres he was talking about is a lot of nonsense.

Mr. MacDonald: Oh no, I'm not.

Hon. W. Newman: Oh, yes, he is. He is finally backing off because he knows he is wrong.

Mr. Speaker: Order, please. The hon. minister is answering the questions.

Mr. Renwick: He is wrong.

Mr. Speaker: Order, order.

Mr. MacDonald: We are talking about land return. Was it 7.8 per cent or 6.6 per cent which is on the minister's sheet?

Hon. W. Newman: We don't have a full tab, county by county, of the actual amount out and in. We do—

Mr. MacDonald: So the minister is guessing.

Hon. W. Newman: No we aren't. We know the figures.

Interjections.

Mr. Lewis: I know the difference between land return and land going out of production.

Mr. Speaker: Order, please. The hon. minister is answering the question.

Hon. W. Newman: In the best productive land in this province we have lost very little farm land percentage-wise compared to northern Ontario where the poorer farm land is; and this comes out very loud and clear.

Mr. Lewis: Oh that's rationalization of the worst kind.

Mr. Speaker: The hon. member for Rainy River is leading off?

Mr. Reid: Thank you, Mr. Speaker.

Interjections.

Mr. Speaker: The member for Rainy River. Order, please, by the hon. member for Timiskaming (Mr. Bain).

Interjections.

Mr. Speaker: There are too many interjections this morning.

The hon. member for Rainy River.

Mr. Lewis: This is the Liberal front bench asking the questions.

BUDGET FIGURES

Mr. Reid: We figure it takes only one of us to handle the rest, Mr. Speaker.

Mr. Speaker: I have a question of the Treasurer: Can the Treasurer explain the discrepancy in the budget papers in regard to imports and exports? In the 1976 budget it shows a greater volume of exports than imports for 1975 and 1974. However, the 1975 budget shows the reverse situation, a far greater volume of imports than exports for the same year; and in his 1976 budget he shows a very marked increase in exports. Considering the fact that the Treasurer spent almost five minutes telling us about the sad state of the auto pact, which is the large part of our Ontario exports, can he explain first of all the discrepancies in those figures; and second, can he explain to the House where he expects that large increase in exports is going to come from?

Hon. Mr. McKeough: Well in manufactured goods, in part; certainly we expect an increase in auto parts this year. We would expect to see a much healthier situation, for obvious reasons, in the pulp and paper industry. And there are some indications we

will see greater exports of some of the base metals.

Mr. Ruston: Supplementary: When the Treasurer talks about an increase in exports and part of it being in the auto industry, is he aware of the qualms of Ford Motor Co., who are contemplating moving a motor plant to Windsor, but they've been advised they'll be closed down in the United States if this move is made? How are we going to rationalize on that basis? Are we going to have to look at the auto parts industry, which would involve Canadian manufacturing, rather than, let's say, American companies? The problem they're going to have is that they may face a major strike in the United States because of moving an operation from Detroit to Windsor.

Hon. Mr. McKeough: Nobody is suggesting moving operations either way, in my view, as a right thing to do. I'm not anxious to see people thrown out of work in Toledo simply to have more employment in Windsor. I think the thrust of the paper was and is that we are not getting our share of the growth, and these presumably are the new jobs, the add-on jobs. Inevitably, there is always some dislocation in redundant plants or old plants or because of vagaries of the marketplace. But I am not specifically aware of the Ford Motor case which the hon. member mentioned.

Mr. Reid: Supplementary, if I may: Can the Treasurer indicate why there is a difference in the figures for exports and imports in the two years of the budget? I wouldn't ask this question but we couldn't find anybody in the Treasurer's offices this morning to answer it. Can he explain the discrepancy?

Hon. Mr. McKeough: I assume the figures given in 1975—I don't have the 1975 budget here—were our estimate as to what would happen in 1975. Our figures in the 1976 budget are our estimate of what is going to happen in 1976.

Mr. Reid: The figures in the 1975 budget, those for 1974, when it was found what actually happened, don't agree at all. And the figures for 1973-1974 in the 1976 budget and in the 1975 budget don't agree.

Hon. Mr. McKeough: Without being able to give any details, certainly our exports during 1975 were not as high as we had originally hoped at the time of the budget in 1975. A big part of that, of course, was pulp and paper and a more severe decline in the mining industry than we had anticipated.

URBAN TRANSPORTATION

Mr. Reid: Mr. Speaker, I have a question of the Minister of Transportation and Communications. In view of the millions of dollars spent on Krauss-Maffei and the Urban Transportation Development Corp., can the minister indicate what his approach is to the Toronto Transit Commission, who indicated that they would be interested in the American proposal to standardize light rail transit and that possibly they would buy rail cars from that country? Can the minister explain why our Urban Transportation Development Corp. is not in fact in the market, designing standardized cars? And is he going to allow them to buy outside of the country?

Hon. Mr. Snow: Mr. Speaker, I read something in the press that obviously was similar to what the hon. member read; and it's as confusing to me as it is to him; I have not had an opportunity yet to look into it but I certainly will. This is certainly not my understanding as to what is taking place. In fact, I have good reason to believe that some of our manufacturers of rail cars in Canada can look forward to very considerable export orders in the very near future.

Mr. Reid: May I ask, by way of supplementary, is the minister aware whether, in fact, UTDC is designing a standardized car that can be used both in Canada and the United States?

Hon. Mr. Snow: I'd like to know what type of a car the hon. member is referring to.

Mr. Reid: One that's standardized so it can be used all across the country, with the gauges and everything being the same. Surely the minister knows something about that.
[10:30]

Hon. Mr. Snow: Certainly all the design work that is being carried out by the Urban Transportation Development Corp. is with a view to very large export business outside of Ontario, within Canada and also all over North America, and really worldwide.

LOSS OF TREES

Mr. Reid: I have one further question if I may. I'll have to ask this of the Resources Development Secretary in the absence of the Minister of Natural Resources (Mr. Bernier). Is the minister aware of the CBC programme last night, and other reports in the paper, that the Ministry of Natural Resources is killing valuable timber on some 1,200 acres of land

in Bethune township in the Parry Sound district?

Would the minister be prepared to investigate to find out why an agency of this government is killing trees when they could possibly be used for salvage or given to small sawmill operators who are going without in that area?

Hon. Mr. Irvine: Mr. Speaker, I'm not aware of the report but I'll certainly be happy to look into the matter and report to the member.

HOSPITAL CLOSINGS

Mr. Deans: I have a question of the acting Minister of Health. This being April 9, the day on which the health council had to make its report to the Ministry of Health, and given there has been a tremendous effort put forth by a number of citizens in Hamilton to provide information to the ministry upon which a better decision might be based, is the minister now prepared to extend the period of time in order that a proper study can be conducted, in order to ensure that in fact the health care delivery system of the area will be both adequate and sufficient?

Hon. B. Stephenson: Mr. Speaker, I met this morning with representatives of the district health council of Hamilton-Wentworth, who have presented a report—a very long and well documented report—which will be considered very seriously by the ministry, and I'm sure we'll have a response to that district health council regarding all of the items which the member raises by early next week.

Mr. Deans: Supplementary question: Can the minister indicate whether she believes it is worthless continuing with the background information gathering that is currently going on? Will that information be made use of by the Ministry of Health, and will there be sufficient time made available to the people who are doing it in order to make sure that all of the pertinent information is, in fact, before the ministry prior to making another decision?

Secondly, if I may, can I send to the minister something she may probably be aware of already, but there is a message to be delivered to her on behalf of 85,000 people in the city of Hamilton, signed by their own hands, and I would be happy to send over the 85,000 signatures just for her own use.

Hon. B. Stephenson: Yes, Mr. Speaker, am aware of that petition. I think the answer is yes, that the council has done a very good job of documenting all of the information. I think the documentation is extremely com-

prehensive. It will take some time to explore it, and when it is thoroughly explored, the ministry will be responding to the district health council, whose responsibility it is to make the recommendations.

Mr. Lewis: We trust you will read it name by name.

Hon. B. Stephenson: I think I will ask you to do that.

Mr. Germa: You are not doing anything else, may as well do that.

ALLEGED CONFLICT OF INTEREST

Mr. Riddell: Maybe this dialogue could be carried on at some other time. I have a question of the acting Minister of Health. Would the minister give us the results of her ministry's investigation into the possible conflict of interest on the part of a full-time staff member at the Goderich Psychiatric Hospital, who is reported by the Provincial Auditor to have billed OHIP for large amounts of money while receiving a full-time salary as a full-time staff member of the hospital?

Hon. B. Stephenson: Mr. Speaker, some preliminary study of this problem has, in fact, taken place. One of the things that we have discovered is that that psychiatrist, who did function very well as a full-time staff member in that institution, also served the community in later hours of the day and on weekends as a psychiatrist, providing direct care for certain members of the community.

The investigation is not as yet completed and when it is, I shall be happy to report.

BUDGET MESSENGER SERVICE

Mr. Young: Mr. Speaker, to the hon. Minister of Revenue: I wonder if the minister would let us know the basis upon which two score or more employees of his ministry were paid and given expenses to deliver copies of the budget to certain of his friends and my friends after 8 o'clock on budget night. My friends elicited the information that not only did the messenger resent this, he felt he was being paid by government to get information to certain friends prior to the opening of the stock market the next morning. I wonder if the minister would clear this up for us?

Hon. Mr. Meen: Yes, Mr. Speaker, I will look into that. Certainly I thought there were a number of people who should receive the budget quickly so they would have that; I thought that was a nice courtesy to extend

to them. I will look into that and get the details for the hon. member.

Mr. Reid: At government expense?

Hon. Mr. Handleman: Sure, it's a government document.

Mr. Young: Supplementary: Might I ask the minister if this is general policy as far as the ministries of the government are concerned, and is the same privilege extended to members of the opposition?

Hon. Mr. Meen: Sorry, Mr. Speaker, I couldn't catch that. Would the hon. member repeat the question?

Mr. Young: Is it the general policy of other ministries in the government and is the same privilege available to members of the opposition to have this kind of messenger service?

Hon. Mr. Meen: Well, I am inclined to call that a sort of one-shot affair, in the sense that a budget comes down once a year and one has the budget documents to be got out. I think it wouldn't apply ordinarily in other ministries—perhaps it does in Treasury and Economics, but I couldn't say if any other ministries besides my own would be interested. People in the financial world are interested in the budget and they have to know, in many cases very quickly, how it affects themselves, their employees and their actions.

Mr. Lewis: They find out naturally. What about the rest of us?

Mr. Speaker: Order, please.

Mr. Reid: Is the minister trying to tell us that the government and the people of Ontario have subsidized the financial world by getting these budgets to them quickly? Is he trying to tell us that and that he thinks that is a good philosophy to follow?

Hon. Mr. Meen: Mr. Speaker, there are all kinds of documents that go out from my ministry, and I would presume also from Treasury, at 8 o'clock on budget night, not the least of which is something like this bulletin about the retail sales tax, which went to every merchant; and of course that went out at the expense of the people of Ontario.

Mr. Reid: Were they hand-delivered?

Mr. Lewis: Supplementary: Would the minister on Monday table for us a list of the members of the financial or related communities to whom specific copies of the budget and budget material were sent, courtesy of the special work which was done within his

ministry on Tuesday evening last? Just let us know to whom this material is sent.

Hon. Mr. McKeough: Mr. Speaker, on a point of order. Perhaps I should 'fess up now that we made extraordinary arrangements to get a copy of the budget to the Premier of Manitoba following 8 o'clock. I would want that on the record.

Mr. Reid: Who else?

Mr. Lewis: Presumably Schreyer and Blakeney will appear on the list, but I would like the other ones as well, just out of curiosity.

Hon. Mr. Meen: Mr. Speaker, I see no reason why I couldn't get that information. I don't know whether I can have that by Tuesday, but certainly I will undertake to get it.

Mr. MacDonald: Good. Make sure Schreyer is on it.

Mr. Reid: Will the minister also check with his other colleagues to see if they took a hand in this or did the same thing on their hook and will he present those lists if that was done?

Hon. Mr. Meen: I could, Mr. Speaker.

LIE DETECTOR TESTS

Mr. B. Newman: Mr. Speaker, I have a question of the Attorney General before he leaves the chamber. Has the minister inquired into the use of a lie detector by the city of Windsor during a recent investigation concerning missing equipment, and does the minister approve of such a use? Will the minister follow up on this and explain government policy concerning the use of lie detectors as far as municipalities are concerned?

Hon. Mr. McMurtry: Mr. Speaker, I have no knowledge of any specific government policy related to the use of lie detector tests. Quite frankly, I don't know at the moment how that is controlled. I have no hesitation in stating, though, that my own personal view is that a lie detector test should be employed only as an investigative device in relation to, and, I think, should be restricted as much as possible to criminal investigations, and that no one, particularly employees, should be obliged to take these tests.

I personally have no hesitation in expressing to the Legislature as a whole my concern with respect to the use by employers of these

lie detector machines, which have been demonstrated to be most fallible, to put it mildly. If it can be demonstrated to me that there is any useful action which could be taken by this government to discourage the use of lie detector tests in relation to employer-employee situations, I would be very happy to have the advice of the members of the Legislature as it's something I'd like to discuss with my colleagues.

Mr. Renwick: You should prohibit it by law.

Mr. B. Newman: Will the minister look into the use of the lie detector test in the city of Windsor recently and report to the House?

Hon. Mr. McMurtry: I'm not so sure, Mr. Speaker, what jurisdiction I have in relation to investigating the use of a lie detector test by the city of Windsor. There's no suggestion that the city of Windsor has, or any of its employees have committed a criminal offence by the use of such a machine. I will make inquiries and I will be obliged if my hon. friend opposite could supply me with any information which is in his possession.

EFFECT OF FLUORESCENT LIGHT ON FOOD

Mr. Burr: Mr. Speaker, a question of the Minister of Consumer and Commercial Relations regarding the three-year study at the University of Guelph revealing the detrimental effect of fluorescent lighting on various foods, especially milk and butter, displayed for sale in stores.

Mr. Riddell: Did you quit drinking milk?

Mr. Burr: What is the ministry doing to require light-protective packaging for these foods?

Hon. Mr. Handleman: Mr. Speaker, I assume that any results of a study of that nature would be reviewed in our ministry by the officials responsible for the building code. If there's a hazardous product effect, I would remind him that a new federal Minister of Consumer and Corporate Affairs, who is responsible for hazardous products, has just been named.

Mr. Burr: A supplementary: Could the minister refer me to some other minister in the cabinet with whom I might pursue this inquiry? The Minister of Agriculture and Food (Mr. W. Newman) doesn't seem con-

cerned. The Minister of Health (B. Stephenson) doesn't know much about it.

Interjections.

Mr. Burr: This minister tries to tell me it's a building code violation.

Interjections.

Hon. Mr. Handleman: Mr. Speaker, I didn't say it was a building code violation. I said presumably we would look at it, in the light of any comments made by the researchers, to indicate whether or not there are required changes in the building code. We're not responsible for the inspection of lighting equipment after it has been installed. We are responsible at the time of installation.

Mr. Lewis: This is too much.

Mr. Deans: It is a health hazard.

Mr. Lewis: There is a hazard there.

Mr. Burr: The consumer's health is being harmed by the fact that the lights are damaging the food. It is suggested in this report—

Mr. Speaker: Is there a question, please?

Mr. Burr: —that light-protective packaging might solve the problem.

Hon. Mr. Handleman: Mr. Speaker, if it's packaging—I just don't follow the hon. member's question. He says the health of the consumers of the Province of Ontario, as distinct from all other consumers in Canada, is being harmed by a special kind of fluorescent light which is being used in groceries or supermarkets. I'd have to look at the report; I'd have to examine it.

Interjections.

Hon. Mr. Handleman: If it's a health problem it's not my intention to assume responsibilities in the area of health. If it's a consumer protection problem in terms of price or quality then certainly we'll take a look at it. I assure the hon. member we will look at the report.

Mr. Burr: That will be fine.

NURSING HOME RATES

Mr. Sweeney: Mr. Speaker, a question to the Minister of Consumer and Commercial Relations, with respect to daily rates in Ontario nursing homes: I understand that a ministry of the government is just about to approve an increase in the daily rates of

nursing homes of approximately 30 per cent without a comparable increase in the incomes of these people.

Does this come under the jurisdiction of the rent review legislation? Are these people given 90 days' notice as is required? Is the minister aware that there was an increase in January and that the nursing homes are about to ask for a further increase in the fall? Could the minister respond to this?

Hon. Mr. Handleman: Mr. Speaker, within the limits of my responsibility, I can assure the hon. member it doesn't come within the rent review legislation.

Mr. Sweeney: Mr. Speaker, may I redirect and ask whose ministry it does come under?

Mr. Speaker: We can't use a scattergun approach. The member may name a minister; he's asked a minister and it hasn't been redirected.

[10:45]

Hon. Mr. Handleman: I would believe that, if it is within the Ministry of Health, the Minister of Health should be asked the question. My response was for rent review, and it doesn't come within that jurisdiction.

Mr. Speaker: You may redirect the question to the acting Minister of Health.

Hon. B. Stephenson: The question was, am I aware that an increase has in fact been approved for nursing homes? I think this is scarcely a rental situation. In nursing homes, the patients are provided with care. They may be provided with some hotel-like accommodation, if you will, but I would not believe this falls within the purview of the rent review programme at all.

I am not aware that the nursing homes intend to come back in the fall for yet another increase.

Mr. Mancini: Supplementary: Could the acting Minister of Health tell us how much the increase is for, please?

Hon. B. Stephenson: I believe that it's something of the order of \$2 per day per patient.

PROPERTY TAX INQUIRY

Ms. Bryden: I have a question for the provincial Treasurer with regard to the commission which is to be set up to study property tax changes. Is he prepared to include in the terms of reference, consideration and clarification of the Edmonton commit-

ment, so that the municipalities will know what they can expect under that commitment from year to year instead of the way it has been worked out recently, and also consideration of the allocation of some points of income and corporation tax and sales tax to local government?

Hon. Mr. McKeough: The answer to both questions would be no. The commission or committee or whatever it ultimately is called is to design a new municipal tax system based on the property tax component of the expenditures and revenues of local governments. It does not include relationship to provincial transfers. It may well be that the other committee which we've suggested will be taking a look at the Edmonton commitment.

My answer to the second part is that municipalities and school boards effectively are sharing in 30 per cent of the personal income tax, the corporation tax, the sales tax and everything else—every other tax. They're getting 29 point-whatever-per cent it is. We're not prepared to increase taxes further and pass them unilaterally to the municipalities.

Ms. Bryden: Supplementary: Will the commission examine the regressivity of the property tax as part of its terms of reference?

Hon. Mr. McKeough: I doubt it very much because it has been well documented that it isn't regressive.

Interjections.

YOUNG FARMERS' CREDIT PROGRAMME

Mr. Haggerty: I'd like to direct a question to the Minister of Agriculture and Food about the matter of the Ontario young farmers' credit programme. I believe it was announced some time last July or some time during the election, and it could have been an election promise. What success, if any, has this programme had in assisting young farmers to obtain loans?

Hon. W. Newman: With regard to young farmers' credit loans in the Province of Ontario, there's the Farm Credit Corp. As members are well aware, this is the federal agency which does most of the lending for actual purchase of land. The kinds of loans that we have are for purchasing of equipment, material, livestock, etc. I don't know that I can give the exact figures that have gone out on loans, I just get a monthly report in the amounts of the loans that are

going out to young farmers, but it's substantial.

Mr. Lewis: God forbid you should support young farmers!

Mr. Haggerty: Is the minister aware that many farmers are having some difficulties in obtaining loans through this programme, that the banks have the final say and under the present interest rates the farmers just can't compete with this? They are eight per cent or 8.5 per cent.

Hon. W. Newman: Our loans go out on the basis of how much they already borrowed, how much debt they have and how much mortgage they have, because we don't want to get these people into a situation where they're in so deep they would have difficulty in getting themselves out. Each application is viewed on its own merits by our staff. If there's guidance needed, we are prepared to offer field guidance to that particular young farmer on things he could do.

If the member has a specific case where there's a specific problem which he feels has been unjustly dealt with by our staff, let us know.

Mr. Makarchuk: Is the minister aware that there appears to be a direct policy by the banks at this time to deny farmers farm improvement loans for the simple reason that they can make more interest by lending that money out to somebody else?

Hon. W. Newman: No, I wouldn't say that necessarily, because I think, by and large, a lot of the loans at the banks are guaranteed by the province and I don't think there is any major problem there. I know that banks are making a great move to cater more to the agricultural people. I am finding that other banks are moving into the field much more so than they were just a year ago. Again, if there is any particular problem let me know about it, but as far as I am concerned I think the banks are co-operating with us.

Mr. Riddell: Will this be readily available to those farmers who are having great financial difficulties because of the cut in quotas and subsidies on industrial milk, and the fact that they have loans from the IMPIP loan in order to increase their production, and now because of the decrease in the subsidy they are finding that they are not able to pay off their loans? Will this loan be readily available, or can the minister suggest some other way that these farmers might get themselves out of that particular financial difficulty?

Hon. W. Newman: Mr. Speaker, I have said it on more than one occasion, I think I have said it in most of the current publications, I have said it when I have been speaking and I will reiterate today what I said about the IMPIP loans, as those are the loans the member is talking about: Because of the overall surplus of milk that was created throughout Canada through the policies of Ottawa—and don't get me wrong, I don't think it was Mr. Whelan's fault, I think it is the government's fault down there—but because of that programme we had a loan programme to build up our base in the Province of Ontario to meet the requirements that were asked of us by Ottawa, and subsequently, because of the fact they were paying 90 per cent on the base and moved it back to 60 per cent and also—and this has been announced since yesterday—the new policy was to be announced on Apr. 1 on the industrial milk programme. It has not been announced as yet, and the agreement was to be announced then. Unfortunately, the Province of Quebec has given notice of pulling out of the industrial milk field.

As far as our IMPIP loans are concerned, we haven't, on a broad basis, said yes we will extend them all, because many of our shippers who have market share quotas are also fluid shippers. What I am saying is those people who have particular problems with their loans should contact their ag rep. We are dealing with them on an individual basis to try and help them through, and we are prepared to try and extend the loans where they have a particular problem. We feel that many of them who have a big fluid milk base are carrying their payments and they have paid their loans off already. We are doing it on an individual basis and where there is a problem we are looking at it and working something out for them.

ROADS CONSTRUCTION PROGRAMME

Mr. Yakabuski: Mr. Speaker, I have a question of the Minister of Transportation and Communications. Is the minister aware that the construction of the Queensway West from Kanata to Highway 44 has been delayed some two years at the request of March township and the Kanata area? I saw in the roads programme tabled yesterday that this is scheduled for construction this year. Can the minister assure the people of the townships of West Carleton and the county of Renfrew that this programme will go through in this fiscal year?

Mr. Singer: So much for local autonomy.

Hon. Mr. Snow: Mr. Speaker, it's certainly the ministry's intention to proceed with the project this year. The jobs that are listed in our highway programme will start at varying times during the year. I do not have an exact schedule as to when that contract will get under way. As members know, I believe, there have been negotiations for the depressing of this particular section of highway. It did hold up the project, because an agreement was entered into between the regional municipality of Ottawa-Carleton, I believe, the township of March, a development corporation and the ministry for the sharing of the costs of depressing this highway through the town centre. That agreement, I believe, has now been finalized. I believe the design has been revised and is being reviewed by all parties now. I expect the job will go to tender some time later this year.

Mr. Speaker: The oral question period has expired.

Mr. Yakabuski: A supplementary.

Mr. Speaker: No, the oral question period expired a moment ago.

Petitions.

Presenting reports.

Motions.

Introduction of bills.

RELIGIOUS INSTITUTIONS AMENDMENT ACT

Mr. Leluk moved first reading of bill intituled, An Act to amend the Religious Institutions Act.

Motion agreed to; first reading of the bill.

Mr. Leluk: Mr. Speaker, the purpose of the bill is to expand the Act to include the various eastern religions as set out in the bill.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch tabled the answers to questions 13 and 14 standing on the notice paper. (See appendix, page 1247).

Hon. Mr. Welch: Mr. Speaker, it is also my understanding that by agreement we would revert to statements at this time.

Agreed.

Hon. Mr. McKeough: Mr. Speaker, I make it 11 o'clock and I am sure you do, too.

FEDERAL CONSTITUTIONAL PROPOSALS

Hon. Mr. McKeough: I am tabling an exchange of correspondence between the Premier (Mr. Davis) and Mr. Trudeau on the constitution.

This matter has occupied a good deal of attention recently and we are concerned that a matter of this importance to the federation is being treated by the government of Canada in such a peremptory manner. The government of Ontario continues to be of the opinion that serious constitutional proposals should proceed on the basis of complete federal and provincial agreement.

The new proposals put forward by the federal government differ in a number of significant aspects from the Canadian constitutional charter which came out of the meeting in Victoria in 1971. They will therefore require careful consideration before any formal and substantive response can be made. Moreover, it is clear that our consideration will require, and greatly benefit from, the opinions of all Canadians and an exchange of views among their governments.

To this end, the Premier has suggested that this issue should await further action until after the provincial Premiers have had the opportunity to discuss it at their annual conference in August. Members will recall that at the 1975 Premiers' conference it was agreed that patriation should be dealt with in the context of a more general review of such aspects of the constitution as the distribution of power, control of resources and other related matters, and that this discussion would be held at the 1976 conference.

In this regard, a copy of the letter that Premier Moores sent to Prime Minister Trudeau on Aug. 28, 1975, communicating to him the views of the Premiers, is included in the material that I am tabling.

Mr. Lewis: Mr. Speaker, on a point of order which I think is appropriate: The city of London has so often been abused and misrepresented in this House by Tories and Liberals alike that it will reassure everyone to know of the presence of Mayor Jane Bigelow this morning in the Speaker's gallery.

Mr. Speaker: Orders of the day.

Clerk of the House: The third order, resuming the adjourned debate on the motion for second reading of Bill 12, An Act to repeal the Emergency Measures Act.

EMERGENCY MEASURES REPEAL ACT (concluded)

Mr. Singer: Mr. Speaker, unfortunately I was unable—

Mr. Speaker: Order, please. Had everyone spoken and was it agreed that the minister would sum up then? I wasn't in the Chair at the time but I understand that's the agreement. The hon. minister.

Mr. MacDonald: The member missed his chance.

Mr. Singer: Mr. Speaker, I wasn't part of the agreement. Surely, I can say a word on the bill? The bill is still before the House.

Mr. Speaker: The minister had started his remarks at 10:24, I believe, last night.

Mr. Singer: If he had started them, yes, but my advice was he merely moved the adjournment of the debate.

Mr. Speaker: Mine was that he did, so the hon. minister, I believe, has the floor quite properly.

Mr. Ruston: He didn't start, though; he had a half a minute.

Interjections.

[11:00]

Mr. Speaker: Order, please. The hon. minister.

Hon. Mr. MacBeth: Mr. Speaker, I would have liked to have had the support last evening of my good friend whose support you have denied me today, because he at least was one who has been consistent throughout the whole matter of the Emergency Measures Organization and should, I think, be heartily in favour of the bill that we are now discussing. But, sir, it is correct that I started to speak last evening.

Regrettably, like many a politician, the Emergency Measures Organization seems to have reached the zenith of its career in its graveside eulogy. I say regrettably because EMO did accomplish many successful missions of rescue and did do many humanitarian things. But I say, sir, its detractors were legion and its supporters were few. However, those who served it so well over the years can take some comfort from the epitaph that has been given to it in the late hours of yesterday evening.

Its demise was announced a year ago. Why this simple, three-clause bill, with an intervening election during which I recall no

mention of EMO at any time during the campaign, should now evoke such spirited response is, I must say, a little surprising to me; and I was surprised by the enthusiasm with which the official opposition entered into the debate last night.

However, let me comment on some of the misconceptions which seemed to exist last evening. First of all, not all municipalities established EMO committees. This bill does not disband municipal committees, which may continue; and I understand about 20 of approximately 46 will be so carrying on.

Mr. Speaker: Order, please. There is far too much noise in the chamber.

Hon. Mr. MacBeth: The bill simply removes a responsibility which many communities did not assume with the original bill. The Emergency Measures Organization was not meant to deal with individual emergencies or to replace either fire or police forces. There were some questions by various members last night as to what people were going to do now, particularly in remote communities, for house fires and things of that nature. EMO was never envisaged to look after that type of thing.

I mentioned last night that we have established a lead ministry; that lead ministry concept took some abuse and perhaps I was at fault in not explaining it more thoroughly. But as it so happens, if there is an emergency at any time, I think the public, in the first place, think of their police force; they don't necessarily think of EMO. But if it is an individual emergency—and as I say, the hon. members were talking about some of those situations last night—who do the public turn to? They think of the police; that is the body that is organized to deal with all emergencies, whether small or large, throughout the province under this lead ministry concept. If it's some kind of environmental problem, the EMO was not equipped to do it before; it had to call in the environmental people. Now the police will immediately call in the environmental people. We envisage the lead ministry concept as actually an improvement on the work of EMO. For instance, if it is a flood that we're concerned about, if anybody can predict a flood, who is likely to know faster than the Ministry of Natural Resources? They will probably have the information that a flood is likely to occur before it does occur.

Mr. Reid: They are called the Ministry of Natural Disasters, so that may have something to do with it.

Hon. Mr. MacBeth: Well, my friend may

call them that in certain places in the north, but I know how often the people in the north call upon them for assistance of various sorts, and not only arising out of the type of emergency that EMO was supposed to deal with. I know they do various types of work. I had a report on my desk about them flying out the body of a hunter who had died in a remote spot. That report crossed my desk this morning. So I know they're called upon for many types of things. As I say, the lead ministry concept should be better, should work faster and I think will be an improvement, because we have the various techniques immediately available when they are called upon.

As I say, there was some criticism last night that the public didn't know whom to call. I say they now call the same people as they probably would have called all the way along and that is, their local police. If the public don't know, certainly the police forces in the communities across the country have been well notified and, as I said before, it is all being co-ordinated under the OPP. Chief Inspector Fullerton is the one who is doing that work, and I understand he has been in contact with all of the various police forces across the province and they know exactly what the procedure is.

It surprised me last evening how many of the people praised EMO and then went on to criticize its work in past emergencies, and gave a number of bad examples. That's the type of thing I think the lead ministry will avoid; that is, if there is an answer to it, it will now be attended to faster and with more expertise than ever before.

I regret we do not have, nor did EMO have, a strategic task force all across the province that could respond to any type of emergency with such alacrity that that emergency wouldn't happen. It seems to me that was the kind of philosophy that I was receiving from the official opposition benches last night, and I suppose that's really why the New Democratic members take exception to taking this bill off the books. In their philosophy, it seems to be that an all-powerful government should be able to stem any tide, should be able, like King Canute, to tell the tides to go back, or to call off a wind storm or an ice storm or some kind of tragedy of that nature.

I regret that no emergency measures organization nor the strongest NDP government in the world can accomplish that sort of thing. In other words, there will continue, regrettably, to be disasters and emergencies of one sort or another, but the philosophy of

this government is how to deal with them as best and as quickly as possible after they do occur. There is no thought that we can keep them from occurring, and anybody with any logic realizes that to be the case. As I say, we have prepared a plan that will allow us to do this as quickly as possible.

Mention was made of the ice storm that affected southwestern parts of the province about a month or so ago. The Emergency Measures Organization didn't have trained linemen to go in and repair those lines. It had to call, of course, upon the services of Hydro and upon the Ontario Municipal Electric Association across this province which has a great and expeditious arrangement to look after the repairing of hydro lines. In other words, if there is a storm in one municipality, very quickly all the other municipalities rally to the aid of the one which is in need, and that will continue to be.

Certainly, the Emergency Measures Organization at no time had any means of stopping hydro lines from falling under ice, or repairing them in a hurry. All it could do was to ask the Hydro and its existing system to look after the matter. Under the old system or under the new, we could not have prevented the ice storm. Similarly, we don't suggest that there is any way to prevent floods.

I am concerned, Mr. Speaker, as I know you yourself are personally concerned, about the situation in unorganized municipalities. Again, however, I say that EMO was not meant to deal with fires in these communities. I don't know the answer to dealing with fires in small locations, where there may be four or five houses in a community and those houses widely separated one from another. We know that every farmhouse can't have a fire pumper close by, and farmers have recognized that for years. The only protection against that sort of thing is prevention itself. Fires will continue to happen and fires do happen, even in places like the city of Toronto, where lives are taken, and no kind of government organization is going to stop them from happening. We can only do our best.

When we are speaking of unorganized municipalities, and this has nothing to do with EMO, we do have equipment on hand now for experimental pumpers in such places as Nestor Falls and Minaki, and we're looking at one other place, sir—and I know you've spoken to me about the possibility of Pickle Crow—to put these pumpers in. There are problems in training enough people to look after them and having enough people available to man them, and also in storing the

equipment. It is not an easy problem when we deal with the tragedies that fire brings about in the unorganized communities. I wish I did have an answer for it. I don't think money itself is the answer.

Mr. Reid: EMO never did any—

Hon. Mr. MacBeth: Dealing specifically with some of the questions raised by various members, I must compliment the member for Ottawa East (Mr. Roy) on the admirable research which he did. He was a bit of a life-saver for me last night when I thought all the winds were blowing against me. I must admit that he went further in his research than I did. I did, however, look to the question that the member for Riverdale asked when the Solicitor General's estimates were before the House a year or so ago. He did ask me last evening to supply him with specific information as to the 33 employees in the provincial EMO organization. I have supplied that to him this morning.

Mr. Renwick: And I appreciate it.

Mr. Singer: The member for Yorkview made a lot of speeches like that, too. He made a lot of speeches over the years.

Hon. Mr. MacBeth: I don't know whether or not he is satisfied with it but I think it is all complete. The only person who hasn't yet been placed is the director himself and we are trying to find a job suitable for him, commensurate with his talents. The others all have been placed—I shouldn't say that; one or two have reached retirement age and I think two have, in fact, retired. I think one has died. I have given the member the information and I gather he is relatively satisfied with it.

Mr. Renwick: Would the minister permit just one question on that?

Hon. Mr. MacBeth: Yes, sir.

Mr. Renwick: Is their tenure in the civil service secure?

Hon. Mr. MacBeth: I am not sure whether they are members of the civil service or not; I assume they are. I can perhaps get that information and I think, if they are members of the civil service, certainly their tenure is as secure as any other members'.

There is only one other question I wanted to deal with and that was from the member for Algoma (Mr. Wildman) who seemed to be complaining that the matter of funding when a disaster of some nature took place was not being expeditiously looked after.

The old EMO was not to supply finances for individual communities in time of disaster of one nature or another. It was simply to move in and try to do its best to rectify the damage which had been done.

The matter of funding was still a matter for the Treasurer and the cabinet to deal with, as to whether the disaster was such as to warrant general public assistance. There is no change in that; that remains the same.

I think in a general way I have dealt with the matters raised last night and I will rest the debate at this point.

The House divided on the motion for second reading of Bill 12, which was approved on the following vote:

AYES	NAYS
Auld	Bain
Birch	Breaugh
Cunningham	Bryden
Eakins	Burr
Edighoffer	Davidson
Evans	(Cambridge)
Gregory	Davison
Grossman	(Hamilton Centre)
Haggerty	Deans
Hall	Dukszta
Handleman	Germa
Henderson	Godfrey
Hodgson	Grande
Irvine	Lewis
Johnson	Lupusella
(Wellington- Dufferin-Peel)	MacDonald
Jones	Martel
Kennedy	Moffatt
Kerr	Philip
Lane	Renwick
Leluk	Swart
MacBeth	Warner
McCague	Wildman
McKeough	Ziemba—22.
McKessock	
McMurtry	
Meen	
Miller	
(Haldimand- Norfolk)	
Newman	
(Durham North)	
Newman	
(Windsor- Walkerville)	
Norton	
Parrott	
Reid	
(Rainy River)	
Rhodes	
Riddell	

AYES

Ruston
Scrivener
Singer
Smith
(Hamilton Mountain)
Snow
Spence
Stephenson
Sweeney
Taylor
Villeneuve
Welch
Wells
Worton
Yakabuski—48.

Clerk of the House: Mr. Speaker, the "ayes" are 48, the "nays" are 22.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill 12, An Act to repeal the Emergency Measures Act.

Hon. Mr. Welch: Mr. Speaker, with the unanimous consent of the House we would like to revert to introduction of bills.

Agreed.

CENTRAL ALGOMA BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Mr. Wells moved first reading of bill intituled, An Act respecting the Central Algoma Board of Education and Teachers Dispute.

Motion agreed to; first reading of the bill.

Hon. Mr. Wells: Mr. Speaker, I think I should explain the bill just briefly, and perhaps with the indulgence of the House I can give a very brief explanation. This bill is to bring to an end a strike and a stoppage of school for the pupils in central Algoma, which has gone on some 35 days or so.

The Education Relations Commission held a hearing in the area last Tuesday evening. At that time, the teachers in that board jurisdiction—indeed, in one school, which is all that is involved in this situation—indicated they were prepared to go back to school immediately if the board would go to arbitration, be it voluntary arbitration or final offer

selection. At that time the board refused. The Education Relations Commission has reported to me, and we are now making that report public, indicating that the pupils' programmes are in jeopardy.

I indicated to some of the members of this House that we would introduce a bill today. That bill has been drafted and I have now introduced it. Subsequent to our drafting of this bill, I have had further discussions with the teachers and with the board, and I am happy to tell the House that the teachers in the central Algoma board jurisdiction have agreed to end their strike and will be back in school Monday morning.

At this point in time, I can't tell the House that the board has agreed to put the matter to arbitration. The challenge now rests with the board over the weekend either to do that, and if they do not, leave it to us to put the matter to, as this bill provides for, final offer selection of those matters, and they are a very limited number, and that's why we suggest final offer selection.

It is my intention that if events go as has been indicated to me they will go, we will remove certain sections of this bill, the back-to-work sections, which will not be necessary if, indeed, the schools are open. The bill will simply deem the parties to be in final offer selection starting the day this bill receives royal assent.

Mr. Speaker: Orders of the day.

BLIND PERSONS' RIGHTS ACT

Hon. Mr. McMurtry moved second reading of Bill 13, An Act to provide for Certain Rights for Blind Persons.

Hon. Mr. McMurtry: Mr. Speaker, the purpose of this bill is to ensure that blind persons accompanied by dog guides are given access to all accommodation, services and facilities generally available to other members of the public without additional charge.

No doubt some proprietors of restaurants, taverns and hotels refuse to admit blind persons with their dog guides out of a misunderstanding of the present provisions of the law. The law permits those operating businesses which involve food handling to admit the dog guides without risk of penalty. Some reluctance by operators of such facilities is simply the result of a lack of knowledge concerning the extensive training of both dog guides and user. If these were the sole causes of the denial of fundamental rights to blind persons using dog guides, a programme of

public education would perhaps be sufficient to rectify the situation. However, our investigation and information now available indicates that this is not the case, and that legislation is required.

This remedial legislation is consistent with various government programmes aimed at assisting handicapped individuals to live as normally as possible within the community. Approximately 40 American states and the Province of British Columbia have legislation similar to, although commonly not quite so extensive as, that contained in this bill.

Section 2 of the bill provides, in effect, that a blind person accompanied by a dog guide has the same rights, privileges and obligations with respect to places to which the public is invited or has access as a person not accompanied by a dog.

Section 2 further provides that a blind person who keeps a dog guide may not be denied the occupancy of any self-contained dwelling unit by reason of that fact. The bill provides a maximum fine of \$1,000 for contravention of section 2.

The bill retains the substance of provisions which presently are included in the White Cane Act.

[11:45]

Subsequent to the first reading of this bill on March 10, I invited comment on the bill from various organizations representing blind individuals, including the Canadian National Institute for the Blind. Assuming that Bill 13 receives approval in principle, I shall be moving an amendment to section 4 in response to the comments received. The amendment would be to delete reference in the bill to the Canadian National Institute for the Blind and to replace it with a reference to the Ministry of the Attorney General, which would result in my ministry being responsible for issuing identification cards to blind persons using qualified dog guides. As I indicated, this amendment is at the request of the Canadian National Institute for the Blind.

Mr. Speaker: Any comments on this bill?

Mr. Lawlor: Mr. Speaker, I think it is worth having on the record that the general common law having to do with the rights of the blind, particularly in the area of tort law—that is, the law of harms or injuries inflicted upon blind persons in public thoroughfares or elsewhere—is contained in a House of Lords decision in *Haley* and the London Electricity Board, 1965—Appeal Cases 778. It's a lengthy judgement and a terribly interesting one, because it recites the back-

ground of the law over many centuries with respect to the rights of blind people; and, a little extraordinarily perhaps, it makes reference to American decisions in this particular regard and branches out into a wide area of responsibility under doctrines of negligence within the law of tort as it has been framed under the British common law.

I think it would be worth the trouble of reading a paragraph or two of Lord Reid's judgement in this particular regard.

In deciding what is reasonably foreseeable one must have regard to common knowledge. We are all accustomed to meeting blind people alone with their white sticks, on city pavements. No doubt there are many places open to the public where for one reason or another one would be surprised to see a blind person walking alone, but a city pavement is not one of them. And a residential street cannot be different from any other. The blind people we meet must live somewhere and most of them probably left their homes unaccompanied.

I will break here for a moment. One of the arguments of counsel on behalf of the respondents, that is the London Electricity Board, was that no special obligation or responsibility was to be accorded to blind people if they left their homes unaccompanied. That was thoroughly rejected out of hand; and statistics, which will appear in a moment, were given in the course of the case as to the very great number of blind people.

Mr. Singer: What kind of action was it?

Mr. Lawlor: To quote:

The blind people we meet must live somewhere and most of them probably left their homes unaccompanied. It may seem surprising that blind people can avoid ordinary obstacles so well as they do, but we must take account of these facts. There is evidence in this case about the number of blind people in London and it appears from government publications that the proportion in the whole country is near one in 500. By no means all are sufficiently skilled or confident to venture out alone but the number who habitually do so must be very large. . . .

No question can arise in this case of any great difficulty in affording adequate protection for the blind. In considering what is adequate protection again one must have regard to common knowledge. One is entitled to expect of a blind person a high degree of skill and care because none but

the most foolhardy would venture to go out alone without having that skill and exercising that care. We know that in fact blind people do safely avoid all ordinary obstacles on pavements; there can be no question of padding lampposts as was suggested in one case. But a moment's reflection shows that a low obstacle in an unusual place is a grave danger; on the other hand, it is clear from the evidence in this case and also, I think, from common knowledge that quite a light fence some 2 ft high is an adequate warning. There would have been no difficulty in providing such a fence here. [And, of course, it wasn't provided.] The evidence is that the Post Office always provide one and that the respondents have similar fences which are often used.

I think that is enough at the moment. The American judgement given in the American restatement is a very concise and a very searching definition of what the range of obligations is in this particular head of the law. Fitting this particular legislation into that, it goes one step further and is highly beneficial from that step further.

In the case in question in Great Britain, there was no dog involved. With a dog involved, obviously many more hazards and obstacles can be readily and adequately avoided by a blind person. To give this range of rights with respect to public transportation and to liberate them into the greatest amount of freedom possible for a citizen is part of the job of the law. It isn't always the job of the law to bring an umbrella down over people's heads.

The law is not designed specifically, except in a particular theory which you and I were taught in the law schools, to be restrictive, to be oppressive, to keep people down, to say that human nature is of such a kind as to constantly need chaining and that man is a beast of prey type of thing. That is not what the law is about and this kind of law shows it. This law is preventive. This law is protective. This law is alleviative. It frees human beings and doesn't bind them. And for that very purpose we should see more of it and a little less of the muscle-type or imprisoning type of legislation which is too often brought before this House and in the Parliament at Ottawa.

That being the case, I have just one other remark. The White Cane Act that is being repealed here this morning has some very antiquated and curious clauses in it. I am glad to see it go. It doesn't provide much help to blind people in any case. I see that there is a clause in here that it doesn't apply to anyone who is not a resident of Ontario. I

always thought that rather mysterious, but since it is going down the drain, we will now flush it.

Mr. Singer: My colleagues and I have no hesitation at all in saying that we will support this statute. It's good Liberal type of legislation. It takes care of people who are not able to take care of themselves as well as most citizens of the community. This kind of legislation is probably long overdue but it is here now and it is good legislation. We will support it.

I can't refrain from asking the Attorney General now that he is going to issue the identity card what kind of a system he is going to have for identifying the dog guide? Will he have a picture which describes them by size, by colour, by shape? It is going to be quite interesting as he sets up his canine adviser in the Ministry of the Attorney General.

Mr. B. Newman: A canine appeal board.

Mr. Singer: Will there be nose prints or paw prints maybe? It will be quite interesting.

Hon. Mr. McMurtry: Would you like the job?

Mr. Singer: I also wanted to mention in regard to this statute that my colleague, the member for Windsor-Walkerville (Mr. B. Newman) has for many years in this House questioned the government about types of legislation which would facilitate a variety of handicapped people getting around and being able to manoeuvre and carry on as well as can be arranged by government action in the community. He has persisted in this kind of comment for most of the years that he has been here and he deserves a little credit too, I would think, for having this kind of a statute presently before us.

Mr. Germa: I would like to add my support to this legislation. It is not too often that we as members of Parliament come into contact with blind persons. I am interested in section 2, and I will pose a question to the minister. Section 2 provides that there shall be no discrimination as it pertains to accommodation as a result of a person being in control of or controlled by a guide dog.

It seems strange but I did have such a matter brought before me and it did relate to a government department, in fact, Ontario Housing Corp. in the city of Sudbury. I was contacted by a blind person who is in control of a guide dog and he was having trouble with the manager of the Sudbury Housing

Authority which is a rent-geared-to-income proposition. Very many of our blind people, of course, are on pension on a very low income and they are prone to being put into this type of accommodation. There was some confusion around this person gaining accommodation as a result of his dog, and it was only after I had contacted Ontario Housing Corp. to get an opinion that we were able to circumvent the problem which was being posed by the general manager of the Sudbury Housing Authority.

The question is, is there no doubt in the minister's mind that section 2, does in fact apply to governmental properties and agencies or boards and commissions? It seems strange that the only problem I've ever had as a result of a situation of a blind person and a guide dog was through a governmental agency. If the minister can assure me that this, in fact, is what section 2 means—that there is no equivocation whatsoever as to whom it relates to, including all governmental boards and agencies—then I have no doubt whatsoever that the legislation is long overdue.

Hon. Mr. McMurtry: I think I could certainly give the assurance to the hon. member for Sudbury that he desires; namely that there would be no such qualification as it would apply to any government facility to which the public is customarily admitted, and certainly the facility described by the hon. member would fall into that category.

Mr. Singer: Mr. Speaker, on a point of order, doesn't that end the debate?

Hon. Mr. McMurtry: I'm sorry.

Mr. Singer: The Attorney General has entered the debate at the beginning and presumably at the end.

Mr. Renwick: The Attorney General was answering a question.

Hon. Mr. Welch: The Attorney General was just answering a question.

Mr. Singer: I don't think he made that clear. Perhaps the Attorney General should get a little more familiar with the rules of procedures.

Hon. Mr. Welch: We have just made it clear.

Mr. Singer: I have no objection to the debate going on, but maybe the Attorney General should—

Interjections.

Mr. Speaker: Perhaps we could continue with the debate by the hon. members before the Attorney General responds.

Mr. B. Newman: Mr. Speaker, I want to express a few observations concerning the legislation. As my colleague did make mention, I've been very keenly interested in being of some assistance to those who suffer not only a blindness handicap, but other physical handicaps. In fact, I do have legislation on the order paper now that would eliminate discrimination because of a physical handicap, where the physical handicap does not interfere with the performance of the services needed.

I'm very pleased to see that the Attorney General has introduced this legislation. As my colleague from Wilson Heights (Mr. Singer) made mention, it is overdue, but it is here and we support the legislation.

I can recall, not too many years ago, a blind lady attempting to get accommodation in one of the Windsor housing units and being denied the accommodation simply because she happened to have a leader dog. Since then she has been accommodated in the unit; the Windsor Housing Authority eventually saw the reasonableness of the young lady's request and did provide her with accommodation. With this legislation there will be no more problem for those who may have a blindness handicap in relation to government housing accommodations.

Mr. Renwick: Mr. Speaker, I would like to make two comments in connection with the bill. First of all, I'm delighted that the Ministry of the Attorney General is going to assume the responsibility for the issuance of the identification cards. I think it's important that the person holding such a card have the status of a card issued by the Attorney General, which forecloses any questions with respect to validity of the card and those who have the use of the card.

My second comment is a somewhat wider one, and that is that we, of course, as we have said, support the limited objective that this bill was designed to achieve. There is, however, the much wider objective with respect to handicapped persons of all kinds, which the Attorney General referred to very briefly in his opening remarks.

It does seem to me, and I make this suggestion to him, that at the point in time when the Ontario Human Rights Commission is holding the public hearings, which I understand are going to be held soon, with respect to receiving recommendations and briefs about possible changes and improve-

ments in the Human Rights Code, the whole question of the non-discrimination against handicapped persons, overt or covert, be a matter which would be of significant concern. It is one of the areas in which the Ontario Human Rights Commission, when it holds those hearings, whatever its terms of reference for the hearings, should include that kind of reference.

[12:00]

I am particularly concerned that perhaps the government has been somewhat slow in moving on the question of access to buildings of all kinds by persons who are handicapped in the sense of having to use wheelchairs or that type of conveyance in order to get around. I would hope that the Ministry of the Attorney General, along with whoever of his colleagues are associated with those questions, would begin to make it a requirement—an obligatory requirement—to be complied with in a very limited period of time that all buildings—with whatever necessary exceptions have to be made—which in any sense can be called either multiple residential buildings, government buildings or office buildings do have access for persons who have to use wheelchairs of one kind or another.

In this particular regard, I think it would be at least symbolically wise if arrangements were made for the installation of ramps for entrance to this building.

So far as I'm aware, there is no access by way of ramp to this building either from the front entrance, the north entrance or either the east or west doors. I think, symbolically, that would at least give an indication of the government's interest and concern in that specific area.

Mr. Kennedy: I wanted to rise to speak in support of this bill which I know will be well received in our area. We have a field chapter of the Canadian Council for the Blind which is a very active group. There are problems as outlined in this bill and which are remedied to a degree by this bill which I know will be well received by our local chapter.

Only recently, I had a visit from representatives of that chapter and one of their big problems is the need for transportation. Their visit was to see if we could work out something whereby they might be assisted in transportation. Of course, they need drivers and it's not always convenient to arrange transportation to the many activities which they attend and have a right to attend and which make life so much more interesting for them.

The one thing we discussed—and it hasn't been proceeded with further—is whether a Wintario grant might be utilized; or whether this type of assistance might be provided through a Wintario grant. I don't know. One is the capital cost of, say, a small bus which would be suitable. The second and, I guess, major ongoing cost is the operating cost which is mainly a driver who can be on call. Of course, it wouldn't be any 9 o'clock to 4 or 9 to 5 day; they have activities through all normal hours of the day—evenings, mornings and afternoons—just as many other groups and associations do.

I bring this out but I particularly wanted to say how much this measure will be appreciated by not only our own local chapter but all chapters of those who have this affliction.

Hon. Mr. McMurtry: Mr. Speaker, I am concerned about the answer I gave to the hon. member for Sudbury, out of order as I may have been, in relation to any accommodation, services or facilities which are owned and operated by the Crown.

In rereading section 2, I note that the section does not specifically bind the Crown and, notwithstanding my complete confidence that the Crown agencies would comply with such legislation, I would like to announce my intention to amend that section to bind the Crown specifically so there can be no doubt at all in relation to that. I apologize to the House for my first response which, I think, was a little misleading.

I will then before third reading or on third reading be introducing that amendment as well as the amendment in relation to the identification cards. Our thinking at the present time is to have an identification card which would probably have the photograph of both the blind person and the guide dog.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Some hon. members: To committee.

Mr. Singer: Yes, it needs it.

Mr. Speaker: The committee of the whole House.

Agreed.

COUNTY JUDGES ACT

Hon. Mr. McMurtry moved second reading of Bill 14, An Act to amend the County Judges Act.

Mr. Singer: Can we get a preliminary statement from the minister?

Mr. Lawlor: Is the minister making a statement?

Hon. Mr. McMurtry: I read a preliminary statement but I am very happy to repeat what I believe I said at the introduction of the bill.

Mr. Lawlor: That's right. He has said all he has to say.

Hon. Mr. McMurtry: The purpose of this amendment is to establish for each office of a judge of a county court the additional office of supernumerary judge of that court; and to complement this by amending the provisions of the Act which set out the rank and precedents of judges among themselves; and the provision permitting a judge to give judgment on a matter which he has previously heard after he has given up the regular duties of a judge of the court.

The provision allowing for supernumerary county judges was enacted in the 1973-1974 amendment of the federal Judges Act, proclaimed in force on July 4, 1975. The provision allowing for supernumerary Supreme Court justices was first enacted in 1970 and the office was created in Ontario in 1972 by the enactment of section 5(a) of the Judicature Act.

The Judges (Canada) Act states:

Where there is provincial legislation creating the office of supernumerary judge, a county judge may elect to give up his regular judicial duties and become a supernumerary judge if he or she has attained the age of 65 and has continued in judicial office for at least 15 years; or if he or she has reached the age of 70 and has held office for at least 10 years.

Supernumerary judges perform the functions assigned to them by the chief judge or by provincial law. Of course, the salaries of such judges continue to be paid by the federal authority. The benefits of having experienced judges to assist in adjudicating causes and to fill in for judges who are ill are too obvious to mention.

In recommending this amendment to me, His Honour Judge Colter, chief judge of the county and district courts, indicated his awareness of the potential cost this amendment might have if supernumerary judges were provided with additional office space and secretarial assistance.

The judges of the county court have been advised that if they elect to become super-

numerary judges they cannot expect to have offices allocated to them or additional secretaries. The executive of the county judges' association has accepted this principle.

Mr. Lawlor: This piece of legislation offers a twitting circumstance for asking quite serious questions of the Attorney General in the introduction of the legislation. First of all, before launching into the twit, I want to congratulate—not the Attorney General (Mr. McMurtry), Lord help us—I want to congratulate Mr. W. C. Alcombrack, QC, chief parliamentary draftsman to this assembly, with respect to the new format of this legislation. I don't know if it has been mentioned previously. In any event, I would like to do so.

Two or three years ago the member for Riverdale (Mr. Renwick) and myself, during the estimates, did raise numerous points about clueing us in in a deeper way, when we open a piece of legislation, to direct us directly to the point. Previously, we had to go through quite an intricate process in some statutes at least to dig out what was really the intent, what was being amended, what was being changed, and then from that had to dope out the *raison d'être* of that particular move.

Now, while the format isn't precisely the same as I understand that at Westminster to be, a great improvement has been made. In other words, the section being amended is now set out in italics, on the inside cover, and underlined are the areas that are being substituted or amended or in any way altered over against the previous section or portion of the legislation. That is extremely valuable, particularly as I saw in the Income Tax Act yesterday afternoon. There was none of the explanatory notes, but the context in which that particularly complex type of legislation is set forth is highly beneficial to the members of all sides of the House now and the staff should be commended in this particular regard.

Now, down to this particular legislation. I am sure the Attorney General is aware that there is a Law Reform Commission report on the administration of the Ontario courts, and I am sure that he has perused with diligence a section of page 136 and subsequent couple of pages of part 1 of that report, which is a thorough review and possible revamping of the structure of the courts. Under that particular section D, the section talking about the number of judges—of the Supreme Court admittedly, but the same principle is applicable here today—there is a section on supernumerary judges. I will ask the indulgence of the House and you, Mr. Speaker, to read perhaps at a good deal greater length than

is customary in the debate, because all this is wonderfully apposite to what we are doing. It says:

A supernumerary judge is to "hold himself available to perform such special judicial duties as may be assigned him from time to time by the Chief Justice." Existing Supreme Court judges who have reached the age of 70 and who have been in office for at least 10 years may elect to hold office as supernumerary judges by notifying the federal Minister of Justice and the provincial Attorney General of his desire to do so. The judge's salary of \$35,000 [well, that was the salary at the time] continues until the judge reaches the normal retirement age of 75 or resigns or otherwise ceases to hold office.

Before these provisions for supernumerary judges become effective in a province, the provincial Legislature must provide enabling legislation to establish the office of supernumerary judge. The enabling legislation for Ontario is contained in Bill 242, an Act to amend the Judicature Act which received royal assent on Dec. 15, 1972.

I am breaking from the reading and saying this chapter 159 of the Revised Statutes of Ontario, 1972, to which the Attorney General referred when he was making his introductory statement. It's set forth in the law, and what's happening this morning is that, as with the applications of the Supreme Court judges, now we have similar clauses and similar wording and a similar application to the county court judges, and that's all very well and good. I have got nothing against supernumerary judges but I have some reservations, as we will see. To continue:

It is probable that in the future, supernumerary judges will be available for duty in the Court of Appeal and the High Court of Justice from time to time. If supernumerary judges were available, the Chief Justice of Ontario or the Chief Justice of the High Court respectively could presumably assign a supernumerary judge where necessary to alleviate overloaded trial lists or to clear up accumulations in certain trial centres. This would give greater flexibility in the administration and management of the High Court circuit system.

[12:15]

And, of course, it's applicable here as the county court judges are the local domestic judges.

To continue with the Law Reform Commission report:

We have had some reservations as to the present provisions for supernumerary judges

and the recent amendment to the Judges Act. First, the Act does not indicate the extent to which a supernumerary judge is to "hold himself available." Does this mean that he is to be available for assignment by the Chief Justice at all reasonable times, that is, five days a week, 11 months of the year, excluding statutory holidays, in the same way as if he were a regular judge of the Supreme Court? Or does it mean that a supernumerary judge is to be available for a reduced number of weeks or months per year? If so, who is to determine which weeks or months? The Act also speaks of a supernumerary judge performing such "special duties as may be assigned to him from time to time." Under these provisions would it be open to the Chief Justice [or here in this particular piece of legislation to the chief judge of the county court] to assign a supernumerary judge to sittings in any one of—

I'm sorry, it won't apply in this particular case.

I think it's good to get on the record the objections of the Law Reform Commission as to the operation of the matter and to the failure to spell out in terms of definitive legislation what the various responsibilities and guidelines may be. In this particular section that I'm reading now and applying not only to Supreme Court judges:

Under these provisions would it be open to the Chief Justice to assign a supernumerary judge to sittings in any one of the 32 trial centres of the High Court, or would such special judicial duties be restricted to Toronto?

If the purpose of these provisions is to allow a Supreme Court judge at age 70 to take advantage of a form of semi-retirement during which he can participate as a judge on a part-time basis in situations of his own choosing, their adoption may not make much contribution to the improvement of the administration of justice in the Supreme Court.

Ditto, I say, for the county court situation here. I would like the Attorney General to address himself to this issue and say what are the plans and what are the perspectives in which we're working. Under this rather skimpy piece of legislation a single clause seems to encompass a great deal. To continue:

There are other considerations. Assuming that in Ontario as of July 1, 1972, the enabling legislation had been provided to take advantage of the amendments to the Judges Act, five judges of the Court of Appeal and seven judges of the High Court would have automatically qualified to elect to become

supernumerary judges. If all these judges were to select and were assigned judicial duties on a regular basis, the change would be tantamount, at least for a time, to increasing the High Court by seven. And such a development is not, however, likely to occur. It is not fallible that all who qualify to elect to become supernumerary judges will so elect. Nor can it be assumed that it is the intention of the Act that they should continue to give full-time service as judges. [I'm almost finished.]

We think the legislation should have specified the extent to which supernumerary judges are to be required to be available to perform their judicial duties. They should be available to be called on, on reasonable notice, to perform the duties assigned to them and they should remain within the jurisdiction, except for personal vacation periods, the times for which should be arranged in advance with the Chief Justice. A supernumerary judge should not be assigned—

I won't read that; that's the circuit situation of the Supreme Court judges, that they should not be assigned there on certain terms.

I would ask the Attorney General, in reviewing his legislation generally, to give some thought to this with respect to the Supreme Court judges. But we will address ourselves this morning exclusively in the field before us. Just in passing, by the way, there is another animadversion—to use a big word—in the Law Reform Commission reports about the use of the term "junior judges" which the Attorney General is perpetuating in the course of this legislation. They think that's a derogatory term or at least it has some kind of connotation of putting a man down. Basically, all judges are of equality just as the minister and I and everybody in this House is of an equal status. We don't have any precedence, one over the other at all insofar as this chamber is concerned.

Mr. Singer: Some get a little more money.

Mr. Lawlor: Yes. Well, you can see how little money counts. In our parity of members, we leave that out of account completely.

In any event, that is the basis upon which I do take some exception to the legislation. I ask if it has been given the thoroughest type of perusal with all these various concepts in mind as operating. In other words, what I seem to be saying is that the legislation might have been fleshed out a bit more, with a few more subsections saying what the intent was in this particular regard and clarifying the very points raised by the Law Reform Com-

mission in the whole area of supernumerary judges.

We are not going to object to the legislation in principle, but it's in detail that I am addressing these remarks to you.

Mr. Singer: Mr. Speaker, this is an interesting piece of legislation, but it is supplementary to federal legislation. I agree with the hon. member for Lakeshore that the questions he raises are worthy of careful consideration, but I wonder about the power of the Attorney General of Ontario to say that county judges, either regular ones or supernumerary ones, shall do such and such. I don't think he has that power or even, if he did have it—because they are not his judges—that he would want to exercise it. We tread a very difficult line—

Mr. Lawlor: I would dispute that, because he has to do with the administration of the courts.

Mr. Speaker: Order, please.

Mr. Singer: He has to do with the administration of the courts; that's quite right. But I just wonder what right the Attorney General of Ontario has to say to anyone, "You will go where Judge X directs you to go." I would think that perhaps the member for Lakeshore and I would be amongst the first to wonder about how that power would be exercised, and we would probably make great speeches saying not that the present Attorney General would abuse his power but that his successor might choose to.

In other words, I think the less of this kind of interference—and this is the difficulty—that Legislatures try to attach to judges' duties and responsibilities, the better it is for the independence of the judicial system; and how you weigh the very legitimate question put forward by the member for Lakeshore as against the theory of independence is a very important matter.

Sometimes it causes difficulty. Perhaps if there were any such thing as a lazy judge, it might have been heard to be a problem when a judge said, "Well, I have done my work for this week. I am going off to take a rest." Now, I don't know that that has ever been suggested, but I have heard it whispered about, in circles that might not choose to be quoted, that some judges perhaps might not be prepared to do what their Chief Justice or senior judge has suggested. We get to the point where a judge can say, quite rightly: "I am independent. I am put here to be an independent person. I don't want the Attorney General of Ontario to tell one of my col-

leagues that he has the power to tell me where to go and when to go."

I don't know how one weighs those two problems. I suppose one then comes back to the usefulness of this Act; and I think it is a useful Act, because it answers a number of problems that did exist. It allows us to employ older persons who sit on the bench in an extra capacity. It allows us to supplement busy court schedules, to take advantage of many years of experience and training, and to use the talent of people who may be older but still able to do a good bit of work. In that way, it is very helpful.

It also clears a spot on the bench, because the Supreme Court bench and the county court bench are fixed by numbers, although we are going to be dealing shortly with an amendment to the Judicature Act that will change the number of Supreme Court judges for Ontario. And just as an aside, where is the companion amendment to the County Judges Act? I guess we will see that later. It hasn't been brought before us yet; I wonder why it wasn't included in this, but we will have to see that later in accordance with the statements made earlier by the Attorney General.

But I think the idea of having supernumerary judges serves a very useful purpose. On the way by, I wonder if I could ask the Attorney General to point out to his colleague, the Treasurer (Mr. McKeough), that the payments for the Supreme Court judges and the county judges are not really reflected in his colleague's budget, which he introduced the other night. They are paid for by that terrible group of people who govern out of Ottawa. And while the Treasurer takes credit for a lot of things, I don't think he should take credit for paying more Supreme Court judges or more county court judges. He can take credit for paying more provincial judges when they are appointed.

Mr. Lawlor: That's the nicest word that's been said about Ottawa for weeks.

Mr. Singer: Some of us have to look at the merits that are there and comment on them from time to time.

Mr. Swart: It's difficult to find them.

Mr. Speaker: Order, please.

Mr. Singer: I think that, in balance, this is a good statute. I think, in balance, it is going to serve a useful purpose. I am a little concerned, though, about one remark the Attorney General (Mr. McMurtry) made this morning about offices and secretaries.

It is going to be very hard, recognizing that there is this independence, to say to Judge X, who has decided to take advantage of the supernumerary position: "Come on, Judge X, would you go and sit in the courthouse at Toronto because our schedule is very long? We're not going to give you an office to hang your hat in and if you want to write a long judgement or dictate a judgement, you're not going to have a secretary to do it or you are going to have to take your chances."

Somewhere along the line, I think the blanket statement that they are not going to have offices and/or secretaries perhaps should be looked at. If the minister is going to expect these people to do any kind of job of work he has to provide them with some facilities.

Those facilities, at least, perhaps could be common facilities. The minister sets aside a few rooms in the courthouse or in some appropriate public building and has a secretarial pool, because if these people are going to work, they should have reasonable facilities with which to work. We're going to call upon them for a substantial job in the administration of justice and we should be prepared to supply them with reasonable facilities to allow them to do that.

We will support the bill that is before the House now.

Hon. Mr. McMurtry: Mr. Speaker, in reply to some of the remarks made by my friend, the hon. member for Lakeshore (Mr. Lawlor) in relation to the function and the control of the supernumerary judges, I would like to refer my friend to the federal Judges Act. As he knows, and it has been pointed out, it is the enabling legislation so far as creating the position of a supernumerary judge is concerned.

I'm referring to section 20, subsection 2, of the Judges Act which creates the position, subject, of course, to the provincial legislation which must follow. It indicates, and I'm referring to subsection 3:

A judge who is elected to hold the office of supernumerary judge of a county court in any province shall hold himself available to perform such special judicial duties within such one or more territorial divisions or other areas of the province as may be assigned to him from time to time (a) by the Chief Judge of the court if the court is presided over by a chief judge; or (b) pursuant to provincial law in any other case.

A week or so ago I did indicate, in my own contribution to the Throne debate, a problem

which I think is underlined once again by remarks from my friends opposite. That is, we still are having some difficulty in establishing a mutually acceptable definition of the respective roles of government and the judiciary in the courts' administration. This, of course, is particularly true when it comes to the problems related to case-flow management.

Mr. Lawlor: It's the great conundrum of our time.

[12:30]

Hon. Mr. McMurtry: I want to indicate to my friends that I'm very much aware of the problems to which they have made reference and that at the present time we are exploring very carefully various vehicles which might be made available for more effective court administration. We are simply not satisfied with the present system and I hope that I will have something to announce in the not too distant future which would indicate we are making some progress in respect to this very difficult challenge.

In relation to the matter of the offices, I would hope that adequate facilities would be provided for these members of the judiciary. As quite properly pointed out by the hon. member for Wilson Heights (Mr. Singer), they do provide a very essential service. Some of them are more available than others, and I think the only impression I intended to convey was that an office didn't automatically come with the job. Perhaps I could have stated it better, more accurately.

Quite frankly, I agree with my friend's remarks in relation to the term "senior" and "junior" judges. I would much prefer to leave the term "judge" and "senior judge." I must confess I don't totally appreciate the historical significance that might be related to the term "junior judge," but I intend to explore an avenue of just eliminating that term because, certainly expressing a personal preference or bias, it doesn't seem to be of much value.

In relation to the matter of the additional judges who will hopefully be appointed by the federal government in the county court, my belief at this point is that no legislation is necessary, provincially, to provide for these additional judges. It's not as if there was a specific number set out in the Judiciary Act. My understanding is that we simply request the federal government to make the appointments and no provincial legislation is necessary.

Mr. Singer: Mr. Speaker, could I ask the Attorney General a question? He may be

entirely correct in his last remarks, but I seem to recollect a number of times where we have statutes saying that there shall be X number of judges in this county and Y number of judges in that county. I think there are such statutes that exist, and from time to time, as it has been determined that we need more judges in a particular area the Attorney General of the day has brought in an amendment. It may be that my memory is faulty, but I would appreciate the result of the Attorney General's further research into this, because I think there are some precedents relating to this question in this Legislature.

Hon. Mr. McMurtry: I certainly will make absolutely certain before the day is out that I am correct in my assumption.

Mr. Speaker: The motion is for second reading of Bill 14. Is it the pleasure of the House that the motion carry?

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Lawlor: Committee of the whole House. The minister hasn't answered my questions.

Mr. Speaker: Committee of the whole House.

JUDICATURE AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 15, An Act to amend the Judicature Act.

Mr. Lawlor: This bill contains three points; it's not a bill which will engender any great acrimony or even any particular eloquence. It is a housekeeping measure, and what it does is increase the number of high court judges by five, from 31 to 36. There are further certain provisions made with respect that the judgement of a divisional court—as is presently the case as I understand in the court of appeal—if a judge gets sick or is absent or resigns, then the judgements may be given by the other two judges; and that interlocutory motions of all kinds may be heard by a judge. I don't think I have a great deal to say about the legislation. It's fine.

Mr. Speaker: The hon. member for Wilson-Heights.

Mr. Singer: Mr. Speaker, we will support this bill.

Mr. Speaker: Is there any further debate on second reading? Does the hon. minister wish to comment?

Hon. Mr. McMurtry: No. I have no further comments, thank you, Mr. Speaker.

Mr. Speaker: The motion is for second reading of Bill 15. Is it the pleasure of the House that the motion carry?

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 15, An Act to amend the Judicature Act.

EVIDENCE AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 16, An Act to amend the Evidence Act.

Mr. Lawlor: Mr. Speaker, it's a very short clause. Up to the present, when preparing an affidavit on a motion or affidavits affecting judicial proceedings, it is the normal practice to take it down the hall or to go down the street to another solicitor—the client usually takes it down and has himself sworn—which creates a sense of distance thing or an arm's-length situation with respect to the affidavit. As I understand this bill, it says that's a lot of malarkey, that we have a considerable measure of confidence in the integrity of the bar and in lawyers drawing their affidavits, and there is no reason why a partner next door can't do this, and alleviate all the inconvenience and fuss about having it sworn in a particular way. It must have risen out of some proceedings, etc., when somebody questioned the validity of the affidavit since it was probably taken in the office. Now we are trying to obviate that difficulty, and I see no harm in the legislation at all.

Mr. Singer: Mr. Speaker, I'm glad to see us slowly doing away with some of these old ideas of what is proper and what is improper. I've never really been able to understand why

it was deemed to be such a heinous sin if one appearing in court happened to introduce an affidavit sworn in one's own office. It really was a throwback to the darkest ages, I guess, when lawyers didn't trust each other, and if you had a matter in your office you couldn't be deemed to appropriately swear an affidavit if it came out of your own office. I've never been able to understand that.

Slowly, we whip away some of these ancient superstitions. This is another one that should go. I have no hesitation in saying we'll support this bill.

Mr. Speaker: Does any other member wish to take part in the debate? Does the hon. minister wish to respond?

Hon. Mr. McMurtry: Only to say that I heartily concur in the remarks of my friends opposite.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be referred for third reading.

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 16, An Act to amend the Evidence Act.

SURROGATE COURTS AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 17, An Act to amend the Surrogate Courts Act.

Mr. Lawlor: Briefly, Mr. Speaker, there is a wonderful bill called C-47 in the Parliament of Canada—I suppose it's through by now—which alleviates this province and provinces generally with respect to the payment of county court judges who are, as the member for Wilson Heights (Mr. Singer) has pointed out, paid through the federal government, and not provincially, for their work in the surrogate court.

I would like to say just one word about the surrogate court in this regard. There is very little in the Law Reform Commission report about the restructuring and definition of that court as to its continued operations, but I suppose that sort of remark is for another day. I think this is the way it should be; now, if the Attorney General will begin to move

in on the Extra-Judicial Services Act and confine the judges to the courts, we can get that volume rolling and streamline the operation a little bit, apart from what Mr. Williston may tell us about it, and take away the blockages and backlogs that are accumulating.

Mr. Singer: Mr. Speaker, this statute makes good sense. It has been indicated for a number of years that judges' salaries should come only from one source. I never could understand why we always had an extra bit of legislation and an extra substantial expenditure of money which gave the judges a little bit more for being surrogate court judges; why the municipalities could give them something for being on police commissions and that sort of thing.

If they're going to serve on police commissions they're going to have to do it for free and for the love of the job. They're not going to get any extra money. That marvellous newspaper, the Globe and Mail, wrote a fascinating editorial suggesting that by a reverse process we might get the judges off the police commissions. If we take their pay away, which Ottawa has done, perhaps they wouldn't be so anxious to serve.

I would hope the Attorney General will grasp this problem firmly and say: "Off the police commissions come you county court judges, particularly since you're not going to get any more money for it."

Surrogate courts, fine. I underline the additional comment made by the hon. member for Lakeshore (Mr. Lawlor) that some very good look should be taken at the whole surrogate court procedure. There is a gentleman in Toronto, Mr. Ridout, the registrar of the surrogate court for the judicial district of York, who has many years of experience and who, I know, has a great number of ideas about simplifying procedures within that court. The paper war continues and mounts in the surrogate court office and in the registry office and so on. The more pieces of paper lawyers have to hurl around on behalf of their clients, the more complicated and the more expensive the judicial system becomes.

Maybe, arising out of this, the Attorney General could commission somebody to have a look at surrogate court procedures and perhaps ask Mr. Ridout what views he has—and others as well; I'm sure there are other persons throughout the province, registrars of surrogate courts, who have a lot of good suggestions to make. We could streamline that procedure and make it of greater benefit and greater simplicity for the people of Ontario.

Hon. Mr. McMurtry: I am interested in my hon. friend's remarks in relation to a review of the surrogate procedure but as we both appreciate it is not the subject matter of the bill before the Legislature. I certainly will explore that; it seems to me to be a very worthwhile suggestion.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 17, An Act to amend the Surrogate Courts Act.

PUBLIC AUTHORITIES PROTECTION AMENDMENT ACT

Hon. Mr. McMurtry moved second reading of Bill 18, An Act to amend the Public Authorities Protection Act.

Mr. Lawlor: Now Roy, when are you going to pull up your socks?

Mr. Reid: Is that parliamentary, Mr. Speaker?

Mr. Speaker: Order, please. Maybe we can speak to the principle of the bill rather than the minister's wearing apparel.

Mr. Lawlor: I thought this was a bill having to do with haberdashery. All right.

He has not been there long enough yet and there's no use being harsh. The whole business of statutes of limitations has been before us since 1969. A massive report was presented and the various defects and anomalies which are written into ancient and hoary statutes with respect to limitation with hardly any rationalization, having taken place for centuries, are just a bonanza for a young, aspiring, dancing Attorney General; it's a tempting, succulent pie he can bite into. He hasn't done anything yet and I'm waiting. That's why I said my first sentence.

This is a niggling move. It's been plastered and in a flibbertigibbet kind of way touched here and there in the past two or three years. This is another instance of making an amendment and it's all to the good.

The fact is that it has to be attacked frontally, systematically, and in one overall

statute. That's not all that difficult and my contention is there has been time enough. Succeeding Attorneys General have promised it and succeeding Attorneys General have dropped by the wayside and gone up to be cultural people—their hair has got slightly longer—and they have left it sitting in abeyance. So the limbo of limitations is what the situation in Ontario is at the moment.

[12.45]

The first section has to do with extending the period of six months with respect to tort causes against public authorities from the time when the act was done to the time when the cause of action arose. In other words, the injury may not show up, or whatever is the difficulty may not come to the surface, for some time afterwards. When that happens then that's the time to start the time running, and it does great benefit to people in this particular regard.

I think this is retroactive in some of its features. The role of the sheriff and land registrar on a six-year limitation is preserved in the statute, and we certainly have no objection to the law.

I am simply saying it's a piecemeal business. I do find that objectionable and I would ask, since this is a splendid opportunity and since the Attorney General has the role, to seize his function in a full way, that would be to see the beginning again of the flow of the rather massive mountain of documentation we have before us, ready to be passed into law and needing to be passed into law, so that these lots of human ills can be alleviated.

Mr. Speaker: The hon. member for Wilson Heights.

Mr. Singer: Mr. Speaker, the whole question of limitation periods has been subject to debate in this Legislature on many, many occasions, and it is set out so well in the report of the Law Reform Commission along with recommendations. It continues to haunt us and the province continues to neglect to have a uniform approach to the whole idea of limitation periods. It shows up regularly in medical negligence matters and hospital negligence matters. Sometimes if one wants to claim against a municipality for damage in the road he must send them a notice and at other times he doesn't have to.

It goes on and on, and the complications are so obtuse that hardly anyone can work his way through these various problems. Why can we not make these things simple and why can we not have uniform limitation periods? When there are great complaints the Attorney General of the day rises in his place and says:

"Well I am going to extend the limitation period for such and such a cause of action from one year to two years." In the Highway Traffic Act recently there was an extension. If they were made uniform that would be a great service indeed to the community.

The other thing about the Public Authorities Protection Act—and every time one of these statutes is brought forward it raises a number of questions—is there a complaint that I have been receiving recently, and I understand the member for Lakeshore is familiar with this too, from justices of the peace—or from at least one person who was a justice of the peace—who came to the conclusion there is no protection at all for justices of the peace under this statute or apparently any other statute. So, rather unlike many other people who are public authorities, justices of the peace don't seem to be. When we come to that section of the Attorney General's estimates, I dare say he is going to hear a word or two about the justice of the peace situation as it exists in the Province of Ontario and the many complaints that arise in regard to it.

There's nothing wrong with this statute. It should be supported, but surely when a statute of this limited kind of application comes before us, the Attorney General and his advisers should begin to wonder and worry about the broad implication of the limitation period; of who should be protected and so on. He achieves a little bit, but he is really not effecting any important law reform when he brings this statute before us.

Mr. Speaker: Does the hon. minister wish to respond?

Hon. Mr. McMurtry: Yes, briefly, Mr. Speaker. I think it is a little bit of law reform, but I concede that it's on a piecemeal basis. I would agree that limitation periods generally have been the bane of the existence of most practising lawyers. As some of my friends opposite are so determined to return me to the practise of law as soon as possible, I naturally have a great interest in seeing a complete reform of these problems of limitation periods.

The report from the Ontario Law Reform Commission is a very important document. The statute of limitations which will incorporate all these limitation periods is presently being drafted and, I would hope, will be introduced into this House in the reasonably near future. I think my friends do appreciate that it is a matter of some complexity, but I intend to do everything within my power to provide the necessary momentum to get this statute to the House as soon as possible.

Mr. Speaker: The motion is for second reading of Bill 18.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 18, An Act to amend the Public Authorities Protection Act.

Hon. Mr. Welch: Before moving the adjournment of the House, may I indicate the order of—

Mr. Renwick: Mr. Speaker, if the House Leader would allow me to interrupt, we would be quite prepared to have somebody move Bill 20 in the absence of the minister.

Hon. Mr. Welch: The Minister of Consumer and Commercial Relations (Mr. Handleman) isn't ready to proceed with that yet.

Mr. Renwick: They have no comment to make on the bill?

Hon. Mr. Welch: No, the minister had spoken to me about that. I think there was something he wanted to raise, but thank you very much for the offer. It has been a very productive morning even without that.

Mr. Lawlor: It should all be productive legislation such as this.

Hon. Mr. Welch: Well in legislation such as this from the Ministry of the Attorney General, that can't be otherwise.

Mr. Singer: Beware of offers from the member for Riverdale.

Hon. Mr. Welch: May I interrupt the exchanges, then, to indicate what the programme for next week will be? On Monday we would proceed with the teachers' legislation, if it is required, and then we will turn to Bills 26, 46, 47 and 48. If there is still some time, we will then go back to the order paper for other legislation.

There will be the private members' hour on Monday at 5 and the House rises on Monday at 6.

On Tuesday of next week there will be the budget reply of the official opposition,

following which we will return to legislation; and on Tuesday we rise at 10:30.

On Wednesday there will be the budget reply of the Liberal Party followed by legislation; and on Wednesday we rise at 6.

Are there any questions at all on that? The House then will stand adjourned from 6

o'clock Wednesday until 2 o'clock on the following Tuesday.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 12:55 p.m.

APPENDIX
(See page 1228)

Answers to questions were tabled as follows:

13. *Mr. Ziemba*—Inquiry of the ministry:

How many first time home buyers grants were sent out before Sept. 18, 1975? How many first time home buyers grants were sent out after Sept. 18, 1975? How many investigations of home buyer grant applicants are under way? How many investigations have resulted in charges? What percentage of applied for grants are being presently investigated?

Answer by the Minister of Revenue:

Prior to Sept. 18, 1975, 27,616 first time home buyer grants were sent out; while in the period between Sept. 18, 1975 and March 19, 1976, 54,122 grants were issued.

Ontario home buyers grant applications and payments are subject to extensive pre-audits and post-audits.

Firstly, in the area of pre-audits, 100 per cent of the applications received are reviewed to determine if they and the supporting documentation are complete and if the applicant has met all eligibility criteria. If the application is questionable, it is referred for further investigation. Currently, there are 978 applications being reviewed. Furthermore, as a result of this screening process, 4,096 applications have been disapproved.

Secondly, all approved applications are subject to post-audit review, with 746 currently being investigated. This post-audit review will continue through the remaining two years of the programme.

Thus a total number of 1,724 applications are presently undergoing further investigation resulting from pre-audit as well as post-audit, which is 1,724 (or 2 per cent) of the 92,436 applications received as of March 19, 1976. In total 3,639 (or 4 per cent) of the applications received have either had audits completed or are in the process of being audited. At the present rate of post-audit processing it is expected that between 8,000 and 10,000 additional audits will be performed this year.

As a result of the audit programme 14 charges have been laid. To date, 13 of the cases are before the courts, while one conviction, resulting in the return of the first payment as well as a \$1,000 fine, has been obtained.

14. *Mr. Breaugh*—Inquiry of the ministry:

When will the Minister of Labour (B. Stephenson) complete her review of the arbitration process? Why should it take more than a year to carry out the decision reached by an arbitration board chaired by a George Ferguson, QC in a grievance between Custom Concrete and Teamsters Local 230?

Answer by the Minister of Labour:

The Ministry of Labour is undertaking a complete review of the collective bargaining process, with the view to recommending substantive changes to reduce the incidence of industrial conflict. This review will include a study of the existing arbitration process, and will offer appropriate recommendations for changes.

The tripartite board of arbitration, chaired by Mr. George Ferguson, QC, in a grievance between Custom Concrete and Teamsters Local 230 was privately chosen by the nominees of the parties without reference to the Labour Management Arbitration Commission. A hearing was held on March 19, 1975 in Toronto, and the board handed down its initial award on April 29, 1975. The alleged violation of the collective agreement, which caused the board of arbitration, arose when the company dismissed the grievor, a truck driver, because he wore ear muffs on the job. The grievor alleged that this was due to a hearing problem, and was not just cause for discharge. The board of arbitration's award concluded that a medical specialist should be designated to examine the grievor to determine whether he was able to perform his job without ear muffs.

The award stated that the union and the company should attempt to agree on the designation of a medical specialist, but if they were unable to do so, the board of arbitration would make the designation. The board of arbitration has been advised that the parties were unable to agree upon a doctor.

On June 3, 1975, the board of arbitration notified the parties with the name of two doctors. The parties chose one doctor from this list, but unfortunately that particular doctor had been ill and was unable to perform his duties for the board. Another doctor was contacted but delays were caused because of his other responsibilities.

As this matter is within the purview of a private board of arbitration, the Ministry of Labour cannot intervene. However, the chairman of the board of arbitration has called a meeting of the parties for Friday, April 9, 1976, in an attempt to resolve this particular problem.

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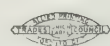
OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, April 12, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

MONDAY, APRIL 12, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

UNITED ASBESTOS PLANT

Hon. Mr. Bernier: Mr. Speaker, members of the Legislature will recall that about two weeks ago, accompanied by my deputy minister and a number of senior civil servants from the Ministry of Health, the Ministry of Labour and the Ministry of Natural Resources, I made a surprise visit to the United Asbestos plant at Matachewan. At that time, we did a very careful examination of the plant itself. Surveys were taken of the air quality.

We had indications from previous samples that the levels of asbestos in the air were at an unacceptable level. We gave instructions to the plant at that particular time that the 50-odd men who were working in the mill there, must wear masks and that smoking was prohibited as of that moment on. Since that time and that particular moment, you'll recall, Mr. Speaker, I indicated that a regular surveillance would be undertaken by the Ministry of Health and my own ministry.

You are aware, sir, as other members of the Legislature are, that there are 180-odd jobs there and that the economic base for the town of Matachewan is closely connected to this particular asbestos development. However, the health of the miners and the workers in our mines and in the industries of this province are far more important to this government.

The tests reported to me this morning following a sample survey taken last week indicate things are getting progressively worse. In fact, the report reaching me just about two hours ago indicates the levels are unacceptable. There is an increase in the amount of fibre in the air.

Therefore, an instruction has gone out as of about an hour ago, on the instruction of my deputy minister and staff and in consultation with the Ministry of Health, that the mine cease operations immediately—that the operators close up, they clean up, and they seal up before starting up. I also indicated to

the mine and will be indicating to the mine officials that the mining division of my particular ministry will be available to assist and to advise the company in its technical problems to resolve the situation and, of course, to meet the health standards that have been set by the Ministry of Health.

HOSPITAL CLOSINGS

Hon. Mr. Davis: Mr. Speaker, as mentioned in this House a few days ago by the acting Minister of Health (B. Stephenson), and concurrent with a commitment made by the Minister of Health, the hon. member for Muskoka (Mr. F. S. Miller), I was pleased to have an opportunity to review most carefully the appeal briefs submitted with respect to the scheduled closure of Clinton Public Hospital, Durham Memorial Hospital, Willett Hospital in Paris and Doctors Hospital in Toronto.

In terms of local community interest and convenience, the briefs made what must be considered meaningful cases for a careful consideration both by the Ministry of Health and the government as a whole.

The role of the local provincial members of the Legislature, of all political affiliations, is, I believe, also worthy of note with respect to the re-evaluation. In most cases, the local member worked diligently with the local hospital board and concerned groups in the development of the brief and the appeal.

The decision to reduce duplicated active treatment hospital beds and orient our system of health service delivery toward both an improvement of quality and a more appropriate allocation of health resources, is a policy decision which remains in the best long-term interest of the people of Ontario. The degree of dedication which the hon. Minister of Health applied to implementing this commitment in a fair, humane and frank fashion, is a tribute not only to his skill and ongoing capacity as an elected public servant, but to his humanity and sense of concern as an individual. The decisions which I am announcing now have, of course, been reviewed most carefully by the acting Minister of Health and by the Minister of Health himself.

With respect to Willett Hospital in Paris, it will cease operating as an acute general hospital on June 1. It will, however, remain open as an ambulatory care centre, with full primary care capacity, accommodating physicians' offices, laboratory and minor surgical facilities, and radiological facilities. The Willett Hospital will also be permitted to provide chronic care service at its present chronic care capacity, awaiting the report of the local committee looking into the long-term-care needs of the community.

Clinton Public Hospital will also close as an acute treatment facility on June 1. In recognition of the specific local concerns made clear during the appeal procedure, Clinton Public Hospital will be allowed to maintain the status of an ambulatory primary care facility after June 1, with x-ray, lab, and minor surgical capacity—along with physicians' offices on the premises.

At Durham Memorial, the full ambulatory care status will also apply after June 1, when it too will cease operation as an acute treatment facility.

Similarly, here in Toronto, Mr. Speaker, Doctors Hospital will also move from being an acute treatment hospital on June 1. It will, however, be allowed to provide its particular service to the ethnic and core community of the city as an ambulatory care facility with laboratory, minor surgery and x-ray capacity. Doctors' offices will also continue to be located in the hospital, as is the case in the other institutions I have mentioned.

In all cases, these community ambulatory facilities will be linked by ambulance to hospitals nearby. The important role played within the communities by each of these facilities will continue in every sense, excepting the acute active treatment function. In all cases the commitment of this government to find opportunities for those personnel who may be displaced will manifest itself in three concrete ways.

The government will negotiate transfer costs for those who find opportunity elsewhere in this province. The government continues to seek new opportunities through working groups, such as the Evans committee now working on the placement of staff members of Doctors Hospital. The government will expect neighbouring hospitals to be responsive with respect to clinic and admitting rights for physicians displaced by a hospital closing. Similarly, officials of the Ministry of Health will begin to work immediately to organize each of the four institutions for the transition to primary care and emergency services during the wind-down period. The ministry

will ensure the full transfer of any and all caseloads before the June 1 date.

The government heard the appeals in good faith. The decisions announced today are consistent with both the broad policy goals of the government with respect to health service improvements and the need for government to remain sensitive to local concerns and needs which are very often very particular indeed. I am pleased, as Premier, to be associated with these decisions and to associate my government with the fundamental sensitivity and fairness I believe they represent.

POINT OF PRIVILEGE

Ms. Sandeman: A point of privilege, Mr. Speaker: On March 18 I brought to your attention an incident during which several of my constituents and those of other members were unable to gain access to us and you promised to check into that. Would you be able to give us any reason for what happened on that day?

Mr. Speaker: I did inquire and I found nothing particularly irregular. There was a large crowd outside, if the hon. member will recall. There were two or three groups and, as quickly as possible, the people were accommodated. I am not sure whether your people were with the larger group or came individually. It was the larger group which was dealt with. They were taken into each of the caucus offices, because that was the arrangement under which they were to meet.

I am sorry if your people were individuals rather than part of the group, but I can tell you the staff was busy getting the larger group either directly to the members or to the caucus offices respectively. If they weren't part of the group, your people should have been allowed in without any question and that instruction, of course, is very clear to the security staff. There is no question about that.

Mr. Renwick: Mr. Speaker, on a point of order: Without in any way questioning what you have said, surely when a member of the assembly raises an important point of privilege with respect to the access to him or her of his or her constituents, it is important that the Speaker consult with the member as to what exactly did take place in the circumstances and submit a formal report to the assembly, rather than the Speaker's having to be asked just what the situation was and then giving a totally inadequate reply, with great respect.

Mr. Speaker: Thank you very much for your advice. I probably was negligent in that. It was my understanding, though, that the group was a part of the larger group and I have just determined now that that was not true. If I transgressed, I am sorry and I will not let that happen again.

POINT OF PRIVILEGE

Mr. Lewis: On a point of privilege—rather unrelated and very brief, Mr. Speaker, if I may: As one of the people who was in the lockup for the budget through until 8 o'clock, when only with difficulty were we allowed to escape at all, I would like the Speaker to take a look at the behaviour that was accorded the manager of the media studio, Mr. Andrew StuParick, who was in the lockup, left at 7:30 p.m.—a privilege given to no one else; media representatives or politicians in that lockup—and wandered about freely for fully half an hour prior to the budget with all of the information which had been shared through the course of the day. In no sense did he use it inappropriately, but clearly it called into question the very special status accorded this one person in comparison or contrast with all those who otherwise participated.

Since this is the second time that members of the media and the Legislature have been concerned about the privileged position of those who run the media studio, I would ask the Speaker to take a good look at it and report to the House.

Mr. Speaker: Oral questions.

[2:15]

Hon. Mrs. Scrivener: Mr. Speaker, on a point of privilege, may I please reply to the statement or request just made by the Leader of the Opposition? It is just this, that Mr. StuParick is sworn.

Mr. Lewis: Whether Mr. StuParick swears or not is irrelevant, but I must say, Mr. Speaker—

Mr. Singer: Four-letter words or longer?

Mr. Lewis: —to the point of privilege I raised, the members of the media are also forced to sign a statement saying they will not reveal the information until 8 o'clock. The assumption, therefore, is that somehow Mr. Andrew StuParick is more honourable in his behaviour. He may be as honourable. He is certainly not more so.

Mr. Norton: The member for Scarborough West has already established how he can be trusted with confidential information.

Mr. Lewis: Can I ask a question now? Now is a bad time to feel unhappy about it, Keith.

Mr. Speaker: The hon. Leader of the Opposition with his questions please.

HOSPITAL CLOSINGS

Mr. Lewis: A question first, if I may, of the Premier: Can he indicate, in relation to the hospital announcement which he made, (a) how many employees these ambulatory care units at Willet, Clinton and Durham are likely to involve; (b) will Willett be allowed to extend beyond—I guess it must have had chronic care beds for around 25 or 26 when it was closed down—will it be able to extend beyond that if the Brant county study suggests it should; and (c) since the Premier is allowing Doctors Hospital to do minor surgery, will he allow it a small acute patient unit as part of the redefinition?

Hon. Mr. Davis: Mr. Speaker, while I have met personally with all of these groups and have some degree of technical knowledge, apart from the general principles that have been established, I would suggest that perhaps the more specific information would be handled by the acting Minister of Health who, I think, could answer more precisely, if that would be appropriate.

Mr. Lewis: Can I refer that, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Lewis: Did the minister recall—I am sorry that I didn't do that—

Hon. B. Stephenson: Mr. Speaker, I remember all but the first question.

On the second question regarding Willett Hospital, we must await the long-term-care study for the Brant-Haldimand-Norfolk area and when that study is available to us, which I imagine will be late summer or early fall, we shall know what the bed requirement is for chronic beds in that area. If there is an increased requirement in that area, it will most certainly be considered but at the moment it will be the same number of chronic care beds which it has at the present time.

The answer to the third question, regarding the minor surgical units at Doctors Hospital, is no.

Mr. Lewis: The first part was about employment; how many people will be involved?

Mr. Speaker: Order, please, I believe—

Hon. B. Stephenson: I am sorry, Mr. Speaker—

Mr. Speaker: —the member for Brantford—

Mr. Lewis: Can the minister answer the first part of the question?

Mr. Speaker: Is there any further answer?

Hon. B. Stephenson: I am sorry but I cannot give definitive figures at the moment. This is one of the areas we are working on.

Mr. Riddell: A supplementary: As Clinton Hospital is the only one outside of London which has a dialysis unit, will it be allowed to continue the use of that dialysis unit?

Hon. B. Stephenson: Mr. Speaker, since an inpatient dialysis unit requires inpatient beds, the dialysis unit for inpatients will have to be moved. It is to be hoped that we will be able to develop an outpatient dialysis capability as well; at least, I should say, a home capability.

Mr. Makarchuk: A supplementary, Mr. Speaker, to the same minister: Is the minister aware that the chronic care study committee has indicated to the Ministry of Health that at this time there is a need for something between 55 and 57 chronic beds which could be utilized and which could be put into the Willett Hospital?

Hon. B. Stephenson: At the moment I gather that although this figure has been stated, this is not exact. The long-term study which is being done, I think will be reporting within a reasonable period of time. Certainly if there is emergency need for chronic care beds, some beds might be utilized for that, but I think the future of that hospital depends upon the results of that long-term study.

Mr. Makarchuk: One additional supplementary.

Mr. Speaker: Final supplementary.

Mr. Makarchuk: If a definite need is demonstrated immediately, is the minister prepared to relent and allow the extra beds which may become available in the Paris hospital to be used for chronic care?

Hon. B. Stephenson: Mr. Speaker, we are always prepared to be reasonable and to assess the situation as it arises.

Mr. Lewis: A related but perhaps separate question: Now that the minister has worked

this out with such care and precision, I assume she can give to the Legislature today the changed estimates of cost saving which are involved for Willett, Durham, Clinton and Doctors hospitals, given the inclusion of ambulatory and other facilities?

Hon. B. Stephenson: Mr. Speaker, as the Leader of the Opposition knows very specifically, that is impossible—

Mr. Lewis: Why?

Hon. B. Stephenson: —because the decisions regarding the eventual status of the four hospitals mentioned have not been totally decided. It will depend upon the input from the local people first before we can, in fact, establish what the savings will be. We can certainly, within a short period of time, give the members the wind-down costs for the institutions as active treatment hospitals. The cost of providing the services which are being suggested and have been suggested to the people in the area is something which we cannot estimate until they tell us what they hope to do with our co-operation.

Mr. Lewis: By way of supplementary, could I try it again; take another run at it? How can, specifically, a system of ambulatory care services be provided in these hospitals without having made an estimate, service by service, of the costs to the government if these things should proceed, as the minister surely knows they will? And why won't the minister share those figures with us, now that she has made the announcement?

Hon. B. Stephenson: Mr. Speaker, since the funding mechanism is different, for one thing, since we do not as yet know the scope of the services which will be provided in each of the places—

Mr. Lewis: She is just too embarrassed to show how little money the government is saving.

Hon. B. Stephenson: Oh, that is not the answer at all, Mr. Speaker. There will be, in fact, a shift from active treatment care—which is what we have been hoping to achieve—to ambulatory care, which will provide more services for more people more economically than can be provided through the active treatment mechanism.

Mr. S. Smith: Supplementary: This ambulatory care which will be operated at these hospitals, is this intended to be in the form of physicians' private practices, who will now locate within the hospitals, or is it to be

billed on a yearly budget as part of a hospital service? How will the billing actually take place? Will OHIP be billing this through private physicians, or is this a service to be organized centrally?

Hon. B. Stephenson: Mr. Speaker, that is a decision which will be made when, in fact, the local group and the group from the Ministry of Health—

Mr. Lewis: This is too much. Just too much.

Mr. Reid: Did you make this up on your way here? What do all those planners do?

Mr. Speaker: Order, please. We will allow a supplementary. The member for Bellwoods.

Mr. Yakubski: Mr. Speaker, how many supplementaries? Is this a debate?

Mr. McClellan: Since the minister is obviously waiting to finalize plans until she has had input from the local communities, is she prepared in the case of Doctors Hospital to pursue the suggestion that was made, I believe in the brief, that a community task force be established to consist of hospital, community, ministry and city representatives to have a look at the overall health needs in the community service by Doctors Hospital?

Hon. B. Stephenson: Yes, Mr. Speaker, that is our intention.

Mr. Speaker: Final supplementary; the member for Huron-Bruce.

Mr. Gaunt: Supplementary, Mr. Speaker, to the minister: In addition to the role outlined for Clinton Public Hospital, has the ministry done any study with respect to a possible role for that hospital insofar as a chronic hospital is concerned?

Hon. B. Stephenson: Not at the moment, Mr. Speaker.

UNITED ASBESTOS PLANT

Mr. Lewis: A question, if I may, to the Minister of Natural Resources, applauding the decision that was made and that he announced today: Can he indicate to the House whether he will attempt to waive the waiting period for unemployment insurance to which the workers at Matachewan would normally be entitled; and whether, if that period can't be waived, he will negotiate, with the company, continued payment for the workers during what one hopes will be the cleanup rather than permanent close-down, or, alternatively, the difference in income between

unemployment insurance and what their wages would otherwise have been had the company conformed to government directives in the first place?

Hon. Mr. Bernier: Mr. Speaker, as I'm sure the hon. member is aware, the unemployment insurance aspect, of course, is of a federal nature; it is something that we don't get involved in. I've asked my staff, when they do meet with the company itself, that the aspect of continued wages is one area that they look at very carefully.

Mr. Lewis: By way of supplementary: Might the minister use the exceptional powers of a provincial government to speak to the Unemployment Insurance Commission about this exceptional situation, and might he also report to the House the results of his discussions over wages?

Hon. Mr. Bernier: On behalf of the workers in Matachewan, I would be glad to assist in every way possible. I will certainly follow up the Leader of the Opposition's suggestion.

LAND FREEZE APPEALS

Mr. Lewis: A question of the hon. Minister of Housing, if I may: What exactly does he have in mind by way of amending legislation to deal with the court's decision on the various land freezes around Ontario, apparently having had the provincial legislation declared illegal or inapplicable as it involved the Orangeville decision? Where does the retroactivity enter, if it does, or does the minister intend to apply new freezes or new orders across the province to the areas that might now be subject to litigation?

Hon. Mr. Rhodes: The intention is that an amendment will be introduced that would strengthen that particular section of the Act so that the situation we have experienced, as the result of the court case involving the Orangeville property, would not recur, and that existing orders would, in fact, be valid as they now exist on the various parts of the province.

Mr. Lewis: By way of supplementary, can the minister explain how he makes the previous orders valid retroactively, and what he might do with the many, many applications which, I gather, are now pending to challenge the law, in light of the amendment which he wants to bring in? I just don't understand the process. When is the minister bringing it in?

Hon. Mr. Rhodes: First of all, I don't know that we can say there are a number of applications pending.

Mr. Lewis: I have heard of a number of cases that are coming up.

Hon. Mr. Rhodes: The member has a distinct advantage. I have not heard of those particular pending applications.

Mr. MacDonald: Did you read the morning Sun?

Mr. Makarchuk: We will put you on the mailing list for the brown paper bags.

Hon. Mr. Davis: You people don't even support it.

Mr. Lewis: It is the procedure that you use.

Hon. Mr. Rhodes: With the greatest respect, the member for Brantford receives an awful lot of material in brown paper bags.

Mr. Martel: Answer the question.

Hon. Mr. Davis: I read the Sun but—

Mr. Godfrey: Supplementary: In view of the fact that the land use in the area surrounding the Pickering airport was frozen in 1972 without the appropriate hearing, will the minister now lift the order and allow natural justice for the property holders in that area?

Hon. Mr. Davis: And you people talk about agricultural land going out of production.

Mr. Martel: You call it rough justice.

Hon. Mr. Rhodes: As far as I am concerned, the decision that was made concerning the property at Orangeville was an isolated decision. I do not intend to lift any of the orders at this time, including those on the area the hon. member is referring to. The matter that was before the court was one case. It dealt with the matters that were before the court as they involved that particular application, and I do not consider that particular decision to apply universally across the province in all areas where there are ministerial orders.

Mr. Godfrey: A further supplementary, Mr. Speaker.

Mr. Speaker: One final supplementary.

Mr. Godfrey: I would like to ask the minister why he imposed the freeze in the first place, inasmuch as all of the things he wanted to do could have been done by regulation

under the Aeronautics Act, part I, clause 6. I would like to ask if he realized that he was pulling federal chestnuts out of the fire by his freezing order.

Hon. Mr. Rhodes: I'm not going to debate the merits of the particular federal Act to which the hon. member is referring. But I do believe that particular Act covers only the heights of buildings and does not indeed cover the other areas within the noise cone that would have been developed had the airport continued to be constructed.

Mr. Godfrey: I would be happy to send the minister a copy of the Act.

Mr. Speaker: I announced this as a final supplementary, but we haven't had one from that section, so we'll allow this one from the member for York Centre.

Mr. Stong: In light of the reasoning that applied to the Orangeville decision and its applicability toward the province, whether the minister regards it as being applicable or not, what does he intend to do with respect to the Langstaff area, which has been under a freeze and where people have been unable to move because of that freeze? Is the minister considering compensation or lifting the freeze in that area?
[2:30]

Hon. Mr. Rhodes: No, Mr. Speaker.

DISPENSING FEES

Mr. S. Smith: A question to the acting Minister of Health: What steps is she taking to ensure that the 30-day limit on the supply of free drugs to senior citizens will be extended and that pharmacists will be stopped from multiplying their dispensing fees?

Hon. B. Stephenson: Mr. Speaker, as a matter of fact, if a physician writes a prescription for a period longer than 30 days, the pharmacist is supposed to fill that prescription. It depends on the way in which the prescription is written. We shall most certainly inform physicians of their responsibilities in this area, and pharmacists of their responsibility as well.

Mr. S. Smith: A supplementary: Is the minister aware of the contract the government enters into with the pharmacies, paragraph 5 of it, which points out that in special circumstances, when more than a month's supply of a drug is to be dispensed for eligible persons—such as when a person is travelling outside the province—the pharma-

cist is entitled to reimbursement of an increased amount of that paid to the pharmacy? In other words, if he dispenses six months' supply of drugs to a person who is leaving, he is entitled to charge six times the dispensing fee. If that is not the case, would the minister kindly explain what paragraph 5 means?

Hon. B. Stephenson: Mr. Speaker, to my knowledge he is entitled to an increase in the dispensing fee, but not to the level of six times or three times or four times.

Mr. S. Smith: A supplementary: Precisely what is the increase and on what criterion is that to be based?

Hon. B. Stephenson: Mr. Speaker, I would have to look up the regulation they're under to know the exact amount which is permitted.

Mr. Ziemba: A supplementary of the acting Minister of Health: Now that the minister has discovered the invoice in triplicate when it comes to private labs billing OHIP, would the minister perhaps consider using the same type of invoice in triplicate for pharmacies billing OHIP, to get away from delayed billings which the customer doesn't find out about in the event they leave the country? There have been cases in which billings have been submitted in a customer's name. Why involve those people in the OHIP billing?

Mr. Speaker: Order. The question has been placed, I believe.

Hon. B. Stephenson: Mr. Speaker, there is a method of checking prescriptions and the dispensing of prescriptions now which I think is reasonably accurate and reasonably good. It does involve some accurate information which is given to the subscriber as well.

SALE OF FIREARMS

Mr. S. Smith: A question to the Minister of Natural Resources: In view of the general feelings which have been expressed by the government with regard to gun control, how does the minister condone the auction of seized firearms run by his ministry, including the sale to a 12-year-old—or to the father of a 12-year-old—of a pellet gun? Surely he has some views about this which we would like to hear, on whether the government should be condoning this and be a purveyor of firearms in this day and age and in this particular method?

Hon. Mr. Bernier: Mr. Speaker, under the Fish and Game Act, section 87 I believe, as

I'm sure the member is aware, we have discretionary authority either to return or to dispose of the guns or the seized items in question after they have been used for evidence in the courts. This is done, in many cases, through an auction sale. I certainly wasn't aware that a 12-year-old or his father had been at an auction sale and purchased one of these guns. It certainly is something this government does not condone. I'll certainly check into it and follow it up further.

Mr. Lewis: No, he didn't say that.

Mr. Reid: I wonder if the minister could explain the comments attributed to him in the papers some two weeks ago, that he used his discretion to return some firearms which his officers had seized, to some people. I gather it was on the basis that it would cause them hardship? Can he explain how he arrived at those decisions? A lot of people I know are a little upset about this.

Mr. Yakabuski: That's not supplementary, Mr. Speaker.

Hon. Mr. Bernier: Mr. Speaker, as I pointed out, under subsection 2 of section 87 of the Fish and Game Act, this is a discretionary power given to the ministry. In many cases it is a hardship and in this case it was.

Mr. Reid: Are they all in the Kenora area?

Hon. Mr. Bernier: I would say that the return of firearms is done right across this province. As I look around this Legislature, I can tell the member there are members sitting in this Legislature today who have personally called me on behalf of their constituents—

Mr. Singer: What has that got to do with it?

Hon. Mr. Bernier:—asking that this discretionary power be used and I have used it.

Mr. McNeil: Most of them sit on the other side.

Hon. Mr. Bernier: Some who have called me are smiling at me right now.

Mr. Reid: I am not.

Hon. Mr. Bernier: Mr. Speaker, I just want to point out that in many cases when the conservation officers do make an arrest and confiscate equipment such as aircraft and cars, these are all returned so that there is no hardship imposed on those individuals once they have paid their penalty in the courts.

Mr. MacDonald: Supplementary, Mr. Speaker: If the minister finds the exercise of

discretionary ministerial power abhorrent, why doesn't he remove it?

Hon. Mr. Bernier: Mr. Speaker, I have already indicated publicly that this is one area we are looking at very carefully.

Mr. Deans: You don't have to use it.

An hon. member: It is not that abhorrent.

Hon. Mr. Bernier: I certainly think it is something that is worth looking at.

Mr. Speaker: Order, please. The supplementary got away from the original question and we allowed it. I think we should get on with new questions. If you wish to ask new questions later, that will be fine. The member for Hamilton West.

ERC CHAIRMAN'S APPOINTMENT

Mr. S. Smith: A question of the Premier, in the absence of the Minister of Education (Mr. Wells): In view of the heavy burden on the Education Relations Commission and the important job that it has to perform now, with many of the disputes in existence, can the Premier in fact condone the appointment of its chairman as the chairman of an arbitration board in British Columbia?

Hon. Mr. Davis: Mr. Speaker, I would be quite delighted to discuss this with the Minister of Education to see just exactly what time is involved with respect to the chairman of the Education Relations Commission. I acknowledge that they are busy, and I am delighted to hear the leader of the Liberal Party acknowledge that they are busy, and by and large have solved the majority of the problems in negotiations across the province—

Mr. S. Smith: We have nothing against them; we just want to be sure they can do their job.

Hon. Mr. Davis: —even though we are left with three or four rather contentious ones. I would be relatively sure, but I will check this with the minister, that whatever other undertakings the chairman has taken on would not affect his responsibilities here, but I will confirm that with the minister.

Mr. Shore: Will it affect his salary at all?

STATEMENTS BY FORMER TREASURER

Mr. S. Smith: A further question of the Premier: Does the Premier endorse the opinions of the former Treasurer, Mr. White, the

former member for London South, that there will be no action by the government to preserve farmland until there is broader support for such policy, and this broader support must be forthcoming from churches and similar organizations? Does the Premier endorse that particular point of view?

Hon. Mr. Davis: Mr. Speaker, I think what the former Treasurer was saying, and I didn't have the pleasure of listening to the—

Mr. Reid: You used to have to interpret when he was here too.

Hon. Mr. Davis: —very excellent discussion that took place—in fact, just thinking about those discussions Saturday, I understand the leader of the Liberal Party nearly entered those discussions himself; he came in the wrong door or something. I told some people who told me about this that he would have been very welcome and might have learned something about the matter if he had stayed.

Mr. Breithaupt: Just before they disbanded.

Hon. Mr. Davis: I think what the former Treasurer was pointing out is one of the difficulties facing government with respect to land use. The former Treasurer was himself involved in the discussions over a period of years. However, I don't think he really said the government wasn't doing anything, because the fact is government is doing a great deal.

Mr. Good: You are watering it down.

Hon. Mr. Davis: I think the fact, in spite of what I read editorially in one of Toronto's foremost newspapers, is that in terms of the preservation of farmland and in terms of land-use control, if anything there are members of the general public who have made it very clear to some of the hon. member's colleagues that this government has been doing too much. While I think we have to weigh this in the balance—and I look at the member for London North (Mr. Shore) as being one of those members—

Mr. MacDonald: You are backing off.

Hon. Mr. Rhodes: So is your friend, the member for Durham West (Mr. Godfrey).

Hon. Mr. Davis: —in terms of land-use control we intend to move ahead with the proper planning programme for this province. If the leader of the Liberal Party is suggesting an overall freeze on all agricultural land, I wish he would get up and say so.

We think we can find a solution. We are in the process, and it has been working, of

preserving by and large the prime agricultural land in this province. What the former Treasurer was pointing out is the area of contradiction. There is no question about it, when we get into some municipalities—and I can refer to my own—there are still some farmers in the great riding of the city of Brampton, where the official plan considerations are suggesting that that land be frozen in perpetuity as agricultural land, who are saying, "We are opposed to that. Why should we undergo economic disadvantage for the benefit of the urban dwellers if they are not prepared to pay the proper price for food?" and so on.

Interjection.

Hon. Mr. Davis: There is a contradiction, Mr. Speaker. I think one needs only to look at some of the determinations made in the past two or three years to recognize that this government not only is conscious of the problem, but we are dealing with it and will continue to do so.

Mr. Cassidy: He really didn't say much.

Mrs. Campbell: It is a convoluted answer.

Hon. Mr. Davis: The member should just say she is going to freeze it and—

Mr. S. Smith: Supplementary: Would the Premier, in view of the statement he has made about unwillingness to put financial hardship on people who now own agricultural land, and in view of his position—and the former Treasurer apparently is expressing the same view that the Premier holds about this—would the Premier please tell us precisely what possible options this government is thinking of adopting with regard to compensating people whose land might be frozen? Furthermore, could he tell us by what means we are going to be able to measure when sufficient public demand has come through via the churches and via the other organizations that the government will finally feel compelled to move? How shall we measure this precise response from the population?

Interjections.

Hon. Mr. Davis: Mr. Speaker, I don't like to appear to be in disagreement with my former colleague—because, as I say, I wasn't there when he offered his observations—but I know we have discussed this issue, many of us, for a period of time. I think we have found ways and means of dealing relatively well with the problem.

Mr. Reid: When are you going to tell the rest of us?

Hon. Mr. Davis: If the leader of the Liberal Party is saying simply this, that everybody whose land is zoned for agricultural purposes or recreational purposes, or for something other than future development, is to be compensated out of the public purse—

Mr. Ruston: Are you asking a question?

Hon. Mr. Davis:—then I would suggest he talk to the member for London North (Mr. Shore) or the member for London Centre (Mr. Peterson)—anybody who knows anything about the economic factors concerned—and then he would know there wouldn't be enough money, even if he were to establish his own mint, which may be one of his policies, to undertake a programme of that kind.

Mr. S. Smith: No compensation, eh?

Hon. Mr. Davis: I would also make it abundantly clear, in my brief answer to his question, that this government is prepared to protect and is protecting agricultural land; but we also are not going to prejudice the farmers of this province in the process, because we think we can work it out over a period of time in a way satisfactory to both.

Mr. Singer: You don't believe it.

Mr. Reid: You think you can have it both ways.

Hon. Mr. Davis: If he is saying to us, as part of his policy, that he is going to freeze all agricultural land in the Province of Ontario, he's lost 20 seats right here and now.

Mr. Ruston: The Premier lost more than that last time.

Mr. Reid: Now we know what motivates you.

Interjections.

Mr. Speaker: Order, please. I think the hon. member has had a couple of supplementaries. Does the hon. Leader of the Opposition have a supplementary?

Mr. S. Smith: Is this what his policy consists of—neither freeze, nor compensation, nor planning?

Mr. Speaker: Order, please. The Leader of the Opposition with a supplementary question.

Mr. Lewis: As one who has something fewer than 20 agricultural seats to lose, I thought I might ask a supplementary.

Mr. S. Smith: Pure words.

An hon. member: Got lots to gain, though.

Mr. Lewis: Leaving aside the compensation argument, which I concede is a difficult one, does the Premier have any specific legislative undertaking which he expects to introduce this session that will flow from the tabling of the document last Thursday; any Act of the Legislature pertaining to agricultural land and its protection? Or will it simply be left to the outlines of that farm land document?

Hon. Mr. Davis: Mr. Speaker, I don't think we are contemplating any further legislation which would in fact, as the Leader of the Opposition I think is suggesting—

Mr. Lewis: That's what you should have called it.

Mr. S. Smith: Eight pounds of paper; pure words.

Hon. Mr. Davis: They're suggesting that there be a form of legislative freeze on farm land—

Mr. Singer: That's what John White said.

Hon. Mr. Davis: —and I have to say the government is not contemplating a legislative freeze. What the government is doing and will continue to do is in terms of official plan amendments, in terms of the planning documentation on the parkway belt and the Escarpment. I should point out that both the parkway belt and the Escarpment contain several thousands of acres of agricultural land which are now under control, a move which members of the Liberal Party campaigned actively against in their great desire to maintain agricultural land. Of course, they wanted the Escarpment totally eliminated in the process.

Mr. S. Smith: Why don't you say something truthful during one part of your speech?

Interjections.

[2:45]

Hon. Mr. Davis: I look at one or two members across there—

Interjections.

Hon. Mr. Davis: Listen, you guys did it and you know it and you can't have it both ways.

Interjections.

Hon. Mr. Davis: You can't have it both ways; it is one of the very difficult issues.

An hon. member: Got to get a little high.

Mr. Lewis: That's what you should have called it.

Mr. Speaker: Order, please.

Interjections.

Hon. Mr. Davis: Mr. Speaker, we do not contemplate legislation. We contemplate working through the existing zoning regulations, through official plans, through the planning documents that are there. I can only say to the Leader of the Opposition that in terms of planning, in terms of urban growth, in terms of controlling in a reasonable way the great pressures that have existed in this province—

Mr. S. Smith: We just sit back and watch.

Hon. Mr. Davis: —compared to any other jurisdiction in North America, this province has done a much better job than any other single area he can mention to me.

Interjections.

Hon. Mr. Davis: Anywhere on this continent, they don't compare to us here; and you know it.

Mr. S. Smith: Let the megalopolis come.

Mr. Speaker: Does the hon. member for Hamilton West have further questions? All right.

The hon. Minister of Consumer and Commercial Relations has the answer to a question asked earlier.

Mr. Lewis: It won't fly, Orville, it won't fly; but it sounds good.

Interjections.

Hon. Mr. Davis: That's what they said to Orville, but it flew.

Interjections.

Mr. Speaker: Look—order, please.

Interjections.

Mr. Speaker: This is becoming a general debate and we've taken up 30 minutes—

Mr. Singer: Because you let the answers go on forever.

Mr. Speaker: Order. The supplementaries got far away from the original question, as I recall it. Order.

Mr. S. Smith: That was a speech; it was not an answer. It was a bad speech, but it was a speech.

Mr. Kerrio: They haven't got an answer.

Mr. Speaker: Order, please.

Interjections.

Mr. Speaker: In view of the fact that 30 minutes have gone past, we'll give the hon. member a chance to come back at a new question in a few moments. The hon. minister.

RENT INCREASES

Hon. Mr. Handleman: Mr. Speaker, I have the answer to a question asked by the Leader of the Opposition on April 5, 1976, concerning the rent dilemma at 118 Overbrook Place where notices of rent increases were not given 90 days in advance as required under the Landlord and Tenant Act and the rent review officer claimed jurisdiction in those hearings.

A notice of application for judicial review has been served on my ministry as well as on the Ministry of the Attorney General as a result of another case, not unlike the case referred to by the Leader of the Opposition. I expect the question will be settled in the Supreme Court of Ontario. The hearing of this application should establish whether the rent review officer does have jurisdiction to hold a hearing and to make an order under such circumstances.

I further understand that the rent review officer's position was taken because of the provision in the Landlord and Tenant Act which suggests the 90-day notice is subject to the provisions of the Rent Review Act, which does not contain that provision.

Mr. Speaker: The hon. member for—all right, the member for Ottawa Centre; was this your question?

Mr. Singer: Make up your own mind.

Mr. Cassidy: Supplementary to this answer by the Minister of Consumer and Commercial Relations: In the meantime, is the minister prepared to give instructions to the rent review administration that when comparable cases come before it the rent decisions will take effect at the legal time under the Landlord and Tenant Act, rather than at an earlier date?

Hon. Mr. Handleman: Mr. Speaker, there is no such discretion given to us in the Act. The only time this would arise is in those cases where the applications were filed before Feb. 29, which is the date specified in the Rent Review Act. So anything after that, we

would have to assume, will have the normal 90 days.

Mr. Singer: Provided you get a rent review officer who does what the Act says, which is too much to expect.

Mr. Speaker: Order, please.

HIRING OF CANADIAN PERSONNEL BY UNIVERSITIES

Mr. Martel: A question of the Minister of Colleges and Universities: In a letter which I received from the president of Trent University, he makes the following statement:

In closing, may I emphasize that these moves are made necessary by all-party political pressure and are being taken in an attempt to ward off a legislated quota system or something very close to it.

This is to his faculty.

If in fact the universities make some improvement in the number of Canadians they're hiring, is it the government's intention to not introduce legislation to guarantee adequate hiring of Canadian personnel?

Hon. Mr. Parrott: I believe some time ago I made a commitment to the hon. member, specifically on this item, that I would reply in detail during the session of the Legislature and I fully intend to complete that commitment. I'm wondering if the member might share with me a copy of that letter so I could share those thoughts with him?

NON-RETURNABLE CONTAINERS

Mr. Peterson: To the Minister of the Environment: Could he tell us what his official ministry position is with respect to municipal bylaws pertaining to non-returnable containers?

Hon. Mr. Kerr: We have no objection to any municipal bylaw being implemented that is valid and upheld in the event it is contested in any way.

Mr. Singer: There is no bylaw that is upheld.

Mr. Bullbrook: The minister can't be doing this. I don't believe this.

Hon. Mr. Kerr: They are a great testing ground; they really are. But we would hope—

Mr. Bullbrook: Well it has not been upheld; read the paper.

Hon. Mr. Kerr: I know that. He didn't ask me about London. He just asked a general question.

Mr. Singer: It is like the Minister of Consumer and Commercial Relations (Mr. Handleman) then. When the Supreme Court tells a rent review officer he is wrong, he is wrong.

Hon. Mr. Kerr: As I was saying, in the case of any municipality that passes a bylaw that is valid in dealing with that subject, we have no objections to it. However, we would hope that it would be more effective if it was done on a province-wide basis under our own legislation.

Interjections.

Mr. Peterson: Supplementary: Could the minister tell me why a lawyer, Julian Polika, from the Attorney General's ministry, appeared before Mr. Justice Sam Hughes in chambers last week representing the ministry and said the ministry's position was against the bylaw? Can the minister tell me why that happened?

Mr. Singer: Oh that's those fellows. We don't believe that, that is the Attorney General's office. Who pays any attention to them?

Hon. Mr. Kerr: The hon. member will have to ask that gentleman. He didn't represent my ministry.

Mr. Peterson: Who did he represent?

Mr. Singer: They don't talk to each other any more.

Mr. Speaker: Order, please. I can't hear the hon. member.

Mr. Peterson: If he doesn't represent the Ministry of the Environment, why is the Ministry of the Attorney General, that is, the government, against the municipal bylaws?

Hon. Mr. Kerr: As far as I am aware, the government is not against such a municipal bylaw.

Mr. Bullbrook: Supplementary: Does the hon. minister not realize that the courts have now said there is no power under that municipal bylaw? If the government is true to its purpose as a government, will it bring in general legislation or won't it?

Hon. Mr. Kerr: I realize that Mr. Speaker. I wasn't unaware of the decision in London.

Mr. Bullbrook: What are you going to do about it?

Hon. Mr. Kerr: All I am saying is if a municipality through its powers passed such a bylaw that is valid and upheld, we have no objection to it.

Mr. Singer: If another court were to decide differently you will like that one too. Is that what you mean?

Mr. Speaker: Order, please.

Hon. Mr. Kerr: We also agree with the suggestion that it would be better on a province-wide basis; we agree with that.

Mr. Bullbrook: Why don't you do it?

Mrs. Campbell: Do it.

Mr. Speaker: The Minister of Natural Resources has the answer to a question asked previously.

KIRKLAND LAKE AREA BUILDING FREEZE

Hon. Mr. Bernier: Mr. Speaker, on April 6, the member for Timiskaming (Mr. Bain) asked the Provincial Secretary for Resources Development (Mr. Irvine), in my absence, a question regarding a building freeze in the Kirkland Lake area.

For the information of the member: On Nov. 27, 1975, an interministerial meeting was held to discuss the purpose and objectives for maintaining the Swastika restricted area order. It was attended by representatives from the Ministries of the Environment, Agriculture and Food, Transportation and Communications, and Treasury, Economics and Intergovernmental affairs. Ontario Hydro and the Timiskaming health unit were also represented.

Among other things discussed at the meeting, such as province-wide policies, guidelines and regulations being appropriate, it was concluded from various inputs that the growth rate in the townships of Lebel, Marquis, McElroy, Boston, Marter, Otto and Pacaud was no greater than in other similar areas that were not under a restricted area order. Since this was the case, it was recommended that the restricted area order be rescinded.

My ministry does not wish to take steps to rescind the order until such time as other ministries, such as Housing, and Treasury, Economics and Intergovernmental Affairs, have had the opportunity to develop rural development control policies for the area. It is proposed that a study team be established involving the three ministries concerned.

The municipality of Kirkland Lake is applying to the Ministry of Treasury, Economics and Interprovincial Affairs for assistance to expand its planning area, which would take in the townships now under the Swastika restricted area order.

Mr. Speaker: We will allow the member for Timiskaming a supplementary since he asked the question.

Mr. Bain: Is the minister contemplating setting up a committee that would involve citizens from these separate townships? They are perfectly happy to work in conjunction with officials from his ministry and others: is the minister going to involve them in coming up with a plan to replace the freeze?

Hon. Mr. Bernier: Yes, it has been policy to involve the public to as great an extent as possible. I might say we hope this policy would not take longer than six months.

Mr. Speaker: The member for York South.

Mrs. Campbell: He asked a question.

Mr. Speaker: Order, please. The member for York South.

LAND USE

Mr. MacDonald: I have a question of the Premier: In view of the Premier's earlier statement this afternoon on agricultural land use, how does he reconcile that with the following statement:

Ontario is moving towards tough controls on southern Ontario land that will prevent farmers from using their property for anything but agricultural uses . . . Farmers are demanding that areas must be designated for the preservation of agricultural industry just to ensure the basic food supply.

Since those are quotes from the Premier in a speech in Maxwell under the sponsorship of the Grey County Federation of Agriculture, how does he reconcile that with his complete reversal in the statement earlier this day?

Mr. S. Smith: Same with the mortgage subsidies; very easy.

Hon. Mr. Davis: Mr. Speaker, I recall that speech very well.

Mr. MacDonald: I'll bet you do.

Mr. Reid: Is John Smith not writing your speeches?

Mr. Speaker: Order, please. We are wasting valuable time.

Hon. Mr. Davis: As I recall the question this afternoon, and I think my recollection is reasonably accurate, I was asked by the hon. member's leader a question as to whether or not we plan legislation—and the answer to that is no. In terms of existing policy, in terms of existing legislation, there is no question we can maintain the vast majority of agricultural land in this province and we intend to do so.

Mr. MacDonald: All the parties say no.

Mr. Speaker: The member for Haldimand-Norfolk.

Hon. Mr. Davis: Well, they are wrong. The legislation is there.

Mr. Speaker: Order, please. The member for Haldimand-Norfolk.

COMMERCIAL FISHING REGULATIONS

Mr. G. I. Miller: I have a question of the Minister of Natural Resources: In view of the fact his ministry is enforcing the regulations on fishing in Lake Erie, is he aware it could create a hardship for some of the small fishing operators who have been fishing for many years on the lake?

Hon. Mr. Bernier: Mr. Speaker, I am sure the hon. member is aware of, I suppose the laxity maybe, in some of the controls we should have been applying on Lake Erie. I am sure he is well aware of the situation of the fish population in that particular lake. In fact, there is a real concern regarding the perch population and the pickerel population in Lake Erie, and the fishermen are concerned as we are. The restrictive measures we have taken will have some economic impact on a short term, but I can assure the hon. member if we get the co-operation of the commercial fishermen in that particular lake they can be assured long-term activity with regard to commercial fishing.

Mr. G. I. Miller: Supplementary, Mr. Speaker: Is the ministry prepared to support these fishermen, who could be forced out of business?

Hon. Mr. Bernier: Mr. Speaker, we don't think anybody will be forced out of the commercial fishing industry. There may be certain cutbacks and there may be a short period of readjustment, but we don't expect anybody will be put out of work.

Mr. Makarchuk: Supplementary?

Mr. Speaker: Final supplementary. The member for Brantford.

Mr. Makarchuk: To the same minister: In view of the fact the fishermen will have to acquire different mesh nets, which would take some time and certainly would involve an outlay of money, would the minister be prepared to adjust the July 1 date in order to give the fishermen time to acquire the necessary equipment so they would not catch the smaller-sized perch?

Hon. Mr. Bernier: Mr. Speaker, in our discussions with the commercial fishing industry, we arrived at this July 1 date. It was an extension of the normal time given. I have to say to the hon. member that if it's brought to my attention there is hardship being imposed upon these commercial fishermen, then I would be prepared to reconsider a longer period of time.

HOSPITAL CLOSINGS

Mr. Grossman: A question for the acting Minister of Health—to return to Doctors Hospital for a moment: I wonder what arrangements might be anticipated for those doctors who, say, have surgery scheduled for the middle of June or middle of July? What can they tell their patients in the next two or three days?

Hon. B. Stephenson: Mr. Speaker, any physician who has not, within the next few days, had an application to other hospitals in the area accepted should, I think, apply immediately to the Evans committee, which is patiently awaiting applications from the physicians of Doctors Hospital, or any other hospital in the Province of Ontario where there is a closure of beds. The committee is prepared to deal with applications of those who wish to be transferred to other institutions.

Mr. Shore: Are they eligible for unemployment insurance?

Hon. B. Stephenson: No.

Mr. Speaker: Petitions.
Presenting reports.

Hon. Mrs. Scrivener presented the report of the Public Service Superannuation Board for the year ending March 31, 1975.

[3:00]

Mr. Speaker: Motions.
Introduction of bills.

TOWNSHIP OF BOSANQUET ACT

Mr. Eaton moved first reading of bill intituled, An Act respecting the Township of Bosanquet.

Motion agreed to; first reading of the bill.

CITY OF HAMILTON ACT

Mr. Deans moved first reading of bill intituled, An Act respecting the City of Hamilton.

Motion agreed to; first reading of the bill.

CITY OF HAMILTON ACT

Mr. Deans moved first reading of bill intituled, An Act respecting the City of Hamilton.

Motion agreed to; first reading of the bill.

CITY OF NIAGARA FALLS ACT

Mr. Kerrio moved first reading of bill intituled, An Act respecting the City of Niagara Falls.

Motion agreed to; first reading of the bill.

TOWNSHIP OF WEST CARLETON ACT

Mr. Yakabuski moved first reading of bill intituled, An Act respecting the Township of West Carleton.

Motion agreed to; first reading of the bill.

WELLAND-PORT COLBORNE AIRPORT ACT

Mr. Swart moved first reading of bill intituled, An Act respecting the Welland-Port Colborne Airport.

Motion agreed to; first reading of the bill.

INSTITUTE OF PROFESSIONAL LIBRARIANS OF ONTARIO ACT

Mrs. Campbell moved first reading of bill intituled, An Act respecting the Institute of Professional Librarians of Ontario.

Motion agreed to; first reading of the bill.

CITY OF TORONTO ACT

Mr. Grossman moved first reading of bill intituled, An Act respecting the City of Toronto.

Motion agreed to; first reading of the bill.

DOVERCOURT BAPTIST FOUNDATION ACT

Mr. Lupusella moved first reading of bill intituled, An Act respecting the Dovercourt Baptist Foundation.

Motion agreed to; first reading of the bill.

CITY OF WINDSOR ACT

Mr. B. Newman moved first reading of bill intituled, An Act respecting the City of Windsor.

Motion agreed to; first reading of the bill.

Mr. Speaker: Orders of the day.

SUCCESSION DUTY AMENDMENT ACT

Hon. Mr. Meen moved second reading of Bill 26, An Act to amend the Succession Duty Act.

Mr. Renwick: Mr. Speaker, my comments on second reading of this bill will be quite brief, and I will ask that when second reading has been given that the bill be put into committee of the whole House so we can discuss certain of the provisions at somewhat greater length.

I need not repeat the position of this party with respect to the need for an adequate taxing statute dealing with the taxation of wealth in order that the wealth of the province may be properly distributed on a realistic social and economic basis. I spoke about a year ago in the assembly and set forth the position which this party takes, which we had hoped each of the other parties would take, with respect to the need to evaluate the taxation of wealth in the province by means of a green paper, by means of public discussion, by means of obtaining the kind of information which we require in order that an equitable tax system may be constructed for the province in the area of wealth taxation.

On that occasion we voted against the amendments to the Gift Tax Act and the Succession Duty Act in order to bring our position before the assembly. I will not repeat those remarks; they were made on April 24, 1975, and reflect the position of the New Democratic Party in this particular field.

The major provision of the bill which is now before us basically deals with a significant change—but a somewhat less than full change—in the taxation by the Province of Ontario of land passing from a person domi-

ciled in Ontario on the death of that person to another person domiciled in the Province of Ontario. Little did I think I would be in the assembly when a Minister of Revenue of the Crown reintroduced the principle of Lord Baltimore and Penn which was decided in 1750 and which from that time on, eliminated the taxation of foreign real estate.

I'm pleased to see that the minister has accepted the proposition that foreign real estate should be included in the definition of a transmission for the purpose of succession duties in the Province of Ontario. I am at a loss to understand why the minister did not see fit to accept the proposal made by the advisory committee on the Succession Duty Act that we should move from the transmissions concept to the accessions context and tax a recipient domiciled in Ontario on any property coming to that person, regardless of the domicile of the person upon whose death the property is to pass.

There is an extensive statement in the advisory committee's report on the Succession Duty Act with respect to the need for the concept of accessions to take the place of the concept of transmissions. I would, at some time when we are in committee, choose to deal briefly with the minister as to why he will not move to accept that principle as recommended by the committee which was established for the very purpose of making recommendations respecting the Succession Duty Act.

We will support the bill on second reading. We will deal with some of the other matters when the bill is in committee and I think we can have a useful but brief exchange at that time.

Mr. Edighoffer: Mr. Speaker, I will just say a word or two about Bill 26. This bill appears to make a number of changes and, of course, also includes a number of changes which were suggested and introduced in the 1975 budget.

I believe most of the questions really should be raised during the discussions of committee of the whole House because, as I say, most of these were in the budget and, as I understand, agreed by members of the Legislature. However, not being a lawyer, I do have trouble with some of these sections and I had hoped that the minister could, some time during the discussion, refer to section 8 which is part of the regulations section and which I'm afraid I really don't understand. I think the explanatory note is sort of a legal—I don't really know what to call it, but if I may just put it on record. It's something I really can't understand and I

hope the minister could explain this.

This is the explanatory note:

The new clause (f) will permit the making of rules for valuing bequests of income that are expressed as a percentage of the deceased's estate. The actuarial value of such bequests computed under the present rules under the Act is frequently greater than the capital producing the income because the income currently produced by such capital is more than double the income assumed by the present rules for the actuarial valuation of the income interest.

I would be very happy to have an explanation of that.

[3:15]

Hon. Mr. Meen: Mr. Speaker, I must confess I am surprised that this debate has gone so quickly but certainly we will have an opportunity in committee of the whole to discuss the various sections, section by section.

The member for Riverdale raises a question with respect to the recommendation of the committee and I must say that I don't know exactly why we did not go that total route. I have asked the staff to get me some material on that point. My recollection, vague though it is, is that it hinges on the constitutionality of whether it is or is not a direct tax and therefore within the competence of the provincial taxing jurisdiction. I will get some further details and perhaps be able to elaborate on those when we get into committee debate on the bill.

The amendment itself is intended to block a couple of loopholes which have developed recently by which competent and very capable estates planners could arrange to have assets of otherwise taxable or dutiable estates in the form of real estate in another jurisdiction which, on the death of the testator, might then in the one case pass to the beneficiaries here in Ontario or, in another and perhaps more sophisticated case, pass to a company the shares of which were held by beneficiaries here in Ontario. In either of those two instances, those being covered in subsections (i) and (ii) of the amending section, there now would be tax attributable and collected here with respect to the beneficiaries here in Ontario.

My staff have sent me a note which hon. members might find useful if I were to read it. It helps, I think, to clarify the point raised by the member for Riverdale, if he cares to listen or perhaps he would simply prefer to read it in Hansard. "The accession principle, that is the beneficiary in Ontario, would be

taxed by Ontario regardless of where the—"
if I can read the writing—

Mr. Foulds: It would help to have a typewriter.

Hon. Mr. Meen: Yes, it would have helped if we had had a typewriter. It says, "the deceased died in the world was recommended, as indicated by the member, by the Langford committee. It hasn't been adopted by us at this time as it is part of the general review of the Act and it is still under review."

I am advised also that it is not necessarily a constitutional question.

Mr. Renwick: Thank you.

Hon. Mr. Meen: I would just observe that there are a number of extensive items on the whole question of succession duty which are under review in my ministry. In particular, I hope to achieve a dramatic simplification in the structure of succession duty taxing. All of this is an ongoing process which may take some months yet before we can reach a conclusion.

The member for Perth (Mr. Edighoffer) has raised what is probably one of the most difficult things to understand in this particular bill. I think perhaps the best way to describe it to him—I could reserve this, I suppose, for committee but I think I might as well outline it now—would be to give him an example.

Mr. Martel: You don't have to read it.

Hon. Mr. Meen: I will certainly read the example because I, too, had spent some time reviewing this section in order to understand what the actuarial types were saying in pointing out what is really a tax avoidance technique which has recently come to our attention. This technique takes advantage of the methods prescribed by the Succession Duty Act to value income interest as is indicated in the explanatory note.

Briefly, the technique involves providing for the income produced by the estate to be paid to the surviving spouse but for it to be an amount not less than, say, eight per cent of the value of the estate in any year. The surviving spouse is, of course, wholly exempt from succession duty on any amount received; and this is why this becomes a loophole—because of the fact that the surviving spouse, under recent amendments to the Act, is totally exempt.

Section 3(4) of the Succession Duty Act prescribes the method to be used to value income and annuity interest, and it's based

on a notional four per cent yield factor. In other words, the assumption is that there will be a yield of four per cent in the estate. As an example, an estate of \$1 million would therefore be deemed to yield \$40,000 per annum for the purpose of determining the interest of a life tenant. However, where the terms of the will provide that the income paid is to be an amount of not less than, say, eight per cent, as in the illustration I just gave, the Act requires that a yield of eight per cent be used.

The actuarial value of the income interest passing to the non-taxable spouse, when the spouse is non-taxable, using an eight per cent income factor, would work out to be greater than the capital producing the income if the spouse were 57 years of age or younger in this illustration. By raising the percentage where the spouse would be older at the date of death of the deceased or by providing escalator clauses in the will, then the same result can be achieved. I might just point out that if, for example, the spouse were expected to be 59 or 60 instead of 57, the testator could then draw the will to make a provision that it be nine per cent, 9½ per cent or something of that sort, so that the entire amount of the capital, for actuarial purposes, was represented by the life estate of the surviving spouse.

The direct result is that the whole of the aggregate value of the estate is attributed to the non-taxable income of the beneficiary. The beneficiary, the spouse, has a complete exemption under the Succession Duty Act, leaving no amount to be taxed to the remainder men, who fall into possession of their interests on the death of the spouse.

Mr. Good: It's a good idea.

Hon. Mr. Meen: Yes, it was a smart lawyer who thought it up. Clearly, where the estate is invested to yield a rate of income greater than the percentage provided for in the will, no encroachment on capital will be required to be made for the life tenant, and the whole of the estate, plus any capital appreciation, will pass tax-free to the remainder men on the death of the life tenant.

I did a few calculations recently on this particular illustration to see what the present value of that particular life estate would be to a 57-year-old spouse. Let us assume, for example, that the \$1 million in the estate could be invested at roughly 10 per cent—and that wouldn't be hard to do; it would be very easy to do right now—let us assume it was invested at 10 per cent but was payable at eight per cent out of the estate, or \$80,000

a year to the life tenant, whose age is 57; she has a life expectancy, by the tables, of 19.6 years.

If we put that into our pocket computer for interest at 10 per cent—19.6 payments at \$80,000 each—the present value comes out to \$676,464, which is a whale of a lot smaller than the \$1 million in the estate. But if we use the figures that are presently provided for in the Act, which take into account the same life expectancy—because it's worked out for various life expectancies—but a rate of four per cent, it wipes out that figure. My people tell me that that table, at \$80,000 times 12.6, comes out to \$976,000 or so—very close to the \$1 million in the estate—and the estate therefore would be free of succession duty in that particular case. That's the situation we're seeking to remedy by this amendment.

Mr. Speaker: I appreciate the support from both sides of the House.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand the minister wants it to go to committee.

Hon. Mr. Meen: Yes, committee of the whole House.

Mr. Speaker: The bill is ordered to committee of the whole House.

Clerk of the House: The 11th order.

Mr. Speaker: Would the minister like to move?

Hon. Mr. Meen: Yes, just a moment please, Mr. Speaker. I'm prepared to go with the Retail Sales Tax Act, and I am in two minds as to whether we might want to go into committee with the Succession Duty Act. But there are other bills standing, as I recall it now, on the order paper, for the committee of the whole House, so perhaps it would be more appropriate if we followed the 11th order as called.

RETAIL SALES TAX AMENDMENT ACT

Hon. Mr. Meen moved second reading of Bill 46, An Act to amend the Retail Sales Tax Act.

Mr. Renwick: Mr. Speaker, I rise to speak again briefly on Bill 46, being the Act to amend the Retail Sales Tax Act. Again, we will support the passage of the bill, but we will ask that the bill go into committee of the whole House, because again a taxing statute with specific changes in specific sections of a technical and intricate bill is not

properly the subject of a debate on principle on second reading.

I do have two or three comments which may be helpful to the minister when he's considering the matters which we will be raising in committee.

I'm extremely concerned—and I'm going to try to put my concerns in order—about the tough penalty which the minister is imposing under section 4 of the bill, amending as it does the accounting by vendors under section 10 of the Act for the tax which they must collect. It does seem to me that that penalty, coupled with the provision with respect to regulations contained in section 13 of the bill, seems to me to be somewhat Draconian in nature, and there must have been some obvious reason for the minister to move in this way in a drastic sense against vendors who have failed to account. He must feel that there's been a substantial loss of revenue or a substantial problem about collection which would lead him to impose such penalties.

The second matter, which is one, of course, of immense concern to us—we'll not oppose the bill on second reading because of it, but we'll deal with it in committee—is the whole procedure which occupies a substantial part of the bill relating to the point in time when machinery and equipment for production purposes will be subject to tax in an endeavour to have that tax imposed at the time it becomes affixed to the realty and paid by the person who owns the real property to which the production property is affixed.

We can deal with the technical amendments, all of which will not come into force until Jan. 1, 1977, but of course that points up what has been a major concern to this party and that is why there should be a continuation in the budget and a continuation in this bill of the provision which was enacted last year under the Retail Sales Tax Act granting what, in our judgment, is an exorbitant exemption with respect to the imposition of sales tax on machinery and equipment used in production.

We are, obviously, in favour of the reduction in the sales tax which applies with respect to the definition of fair value in connection with a specific defined type of mobile home, and we're also obviously in favour of those homes being subject to tax on only one occasion—that is, in the first instance and then only at the lower rate—and not on any subsequent transfers.

My last point, on second reading of the bill, is this whole question of the extent to which people coming into Canada and bringing tangible personal property into Canada are, in fact, declaring it to the Treasurer or

to the Minister of Revenue so that the tax which is imposed on property brought into the Province of Ontario by persons returning to Ontario is subject to tax. I must say, my impression is that it's probably more honoured in the breach than in the observance in many cases, and there must be a significant loss of revenue to the province in its endeavour to tax that kind of tangible personal property when brought into Ontario, having been purchased abroad.

Perhaps those points and a number of other points can more usefully be dealt with in some greater depth when we deal with the bill in committee of the whole House. We will therefore support the bill and ask that it go to the committee of the whole House.

[3:30]

Mr. Edighoffer: In reference to Bill 46: In the brief time we have had to review this bill, I have to say firstly that we in this party strongly support the amendment regarding the reduction in tax for mobile homes. I know this has been brought up with the Treasurer (Mr. McKeough) on a number of occasions and we were certainly pleased to see that this was forthcoming.

Again, the majority of this bill is set out in the budget. We will have ample time to discuss the changes that are taking place and I can say we are in agreement with most of the changes.

I wonder sometimes when I look at a bill such as this. I know there are exemptions for thermal insulation materials and I just wonder why some of these things aren't set out a little more clearly in legislation. However, I suppose many of these things are done in a hurry.

But we will support the second reading of this bill and, as the previous member said, look forward to the discussion in committee.

Mr. Cassidy: I want to make a couple of comments on the bill. One is that I don't think the bill should be passed without remarking on the fact that without a stroke of the pen and without an Act of this Legislature the Ontario sales tax was increased from five per cent to seven per cent at the end of December and—

Hon. Mr. Meen: With respect, Mr. Speaker, that isn't so, because it was provided in the amendment made about this time last year that the tax would be reduced from seven per cent to five per cent for a specific period of time. And so it was by an Act of the Legislature that it went back up to seven.

Mr. Deans: He said "without a stroke of the pen."

Mr. Warner: An election gimmick.

Mr. Cassidy: Without one stroke of the pen. The electoral situation had changed very substantially. I hope the minister is aware of it and if he isn't aware of it then something is wrong with his perception and he has delusions of grandeur.

Mr. Martel: The minister has been around here long enough.

Mr. Cassidy: He still sees the rump over on this side, Mr. Speaker.

I don't think it should be allowed to pass unnoticed that the Ontario government did, in effect, allow that enactment to go forward without coming to consult the Legislature. That is a habit that you have had more and more, Mr. Speaker—not you personally, Mr. Speaker, but—

Mr. Warner: A bad habit.

Mr. Speaker: That's not a part of this bill, though.

Mr. Cassidy: No, of course it isn't.

Interjection.

Mr. Cassidy: The point I want to make in relation to the bill is a point of principle and that's why I raise it right now. The deputy minister is looking at it to give some more elucidation and maybe having output of the minister. It is proposed in here that a retail tax on newspapers be levied by the Province of Ontario and the restrictions of that tax be laid down by legislation. I think that is a very dangerous provision and I would like the minister to consider very seriously redrafting that particular amendment or taking it out completely.

As I understand, in the past, newspapers, books and other such articles have quite properly been excluded from the sales tax. The government of the Province of Ontario has hesitated to tax them because the tax on newspapers is a tax on information and is a form of censorship. The government has now breached that particular barrier and it appears to be coming to deciding that it will, in fact, tax newspapers.

If the minister intends that certain kinds of advertising circulars, which do not contain news or comment of any variety, that are now being exempted because they are falsely classified as newspapers, should be taxed, it might be possible to find the necessary

language to carry out such an intent in the legislation. But I would submit, Mr. Speaker, that this language is quite unacceptably broad. It means that if the minister or the government saw fit they could by regulation deem that one of the classes of newspapers to be taxed was newspapers with a circulation of over 400,000 published in the afternoons in the city of Toronto, thereby picking out only the Toronto Star; or tabloid-sized newspapers appearing in the morning in the city of Toronto; or all weeklies published within 100 miles of the Manitoba-Ontario border which would take in the Kenora and Fort Frances newspapers and none other.

It would be quite possible to discriminate against particular newspapers by use of this particular device. The minister is aware that the regulations committee has no power to govern the use of this particular power which he proposes to give unto himself. There is no provision for reference back to the Legislature apart from the minister's estimates and there is therefore no effective legislative control. I would ask the minister to agree that, whatever the intent here, it has been inadequately carried out and it should be reconsidered in committee this day.

Mr. Haggerty: Mr. Speaker, I want to ask the minister a few questions concerning the bill as it relates to the matter of section 24(b) section 3, which relates to "thermal insulation materials, as defined by the minister, that are purchased exclusively to insulate a building the construction of which has been completed and that is occupied permanently or seasonally for residential purposes . . ."

The question I want to ask the minister is, is not having that paragraph or that phrase put in the bill encouraging a number of cottagers in certain areas to live in these places year round, perhaps in violation of local bylaws? I can cite a couple of instances in the Erie riding where municipalities do not encourage the year-round use of certain cottages. Perhaps by allowing them to insulate, the next question to lead into it would be that they are permanent residences and lack of sewers and other services in the area will cause, perhaps, further difficulties to the municipality.

The other matter concerning the matter of insulation is that hopefully when the regulations do apply to this particular paragraph, consideration will be given to the type of insulation and, perhaps, some protection to the property owner who may feel that he's doing a service to the Province of Ontario by reducing energy costs by applying insulation. Some of the construction materials used today

in new homes such as the 2x4s,—if we call them 2x4s—may only be in some cases 3 inches in width and perhaps about 1½ in. deep.

In some cases, in our discussions in the Ontario Hydro committee, dealing with the hydro rates, it has been suggested that insulation should be increased to 6 in., 4 in. and so forth. If we are going to encourage property owners to apply this type of insulation I think we are going to have to change the provincial building code so that persons are going to be protected.

If not, what they call a wet rot or condensed rot will occur in the building materials in a home and perhaps in five years' time, if there isn't breathing space in there, the person could lose his home or perhaps it will cost him more money. These are the points I want to bring to the attention of the minister.

The other one concerns subsection 3, section 3, I guess it is—no; it deals with the tangible personal property in Ontario as it becomes liable to tax. Hopefully, this will cover one of the overgenerous conditions which exist along the Lake Erie shoreline where we have our American friends who may come in with a boat and all the equipment necessary for it and they pay no taxes on it. I think at one time under Canadian customs regulations they could bring a piece of equipment in, such as a boat, and it would be valued at \$5,000 or \$6,000. They would have the use of our Canadian waters over here, then take it back to the United States and pay no tax on it. I understand that now they can bring a boat into Canada as long as they file a report that it's here for, we might say, the life of the equipment. Again, I feel that persons in Ontario who have to go out and purchase a boat and motor are being penalized when we allow other infractions under overgenerosity of the present laws that they can come into Canada and get off scot-free without contributing any taxes at all, and I think this should be corrected.

Those are the points that I wanted to bring to the attention of the minister and, hopefully, he will give consideration to my suggestions.

Hon. Mr. Meen: Mr. Speaker, taking last things first, I guess, on insulation we're proposing that the exemption apply where the dwelling is complete and isn't just in the course of being constructed. If that were the case, then the new provincial Building Code would apply to require certain levels of insulation. It has to be a residence; it can't be a commercial property. The principle doesn't

extend to commercial and industrial enterprises or undertakings, it's strictly residential and it's intended really as an incentive to upgrade existing residences that may have little or not insulation in them. It doesn't really matter whether it's a permanent residence or a temporary residence. A seasonally occupied premises is just as much a qualified building as a permanent townhouse, we might say. So I want to make that point clear.

I'm not too clear myself on what the hon. member is referring to with respect to boats.

Mr. Haggerty: Summer residents.

Hon. Mr. Meen: Summer residents coming in here with their boating equipment—that is not much different from winter vacationers from Ontario going to Florida with their cars. Florida doesn't apply a Florida retail sales tax or some part thereof to any of us who are lucky enough to be able to spend some time there at any time of the year. I don't think we've ever extended the principle, where someone was coming in as a visitor rather than as a resident, that tax would be applied. That's a principle that I think would be counterproductive in the long run.

The member for Ottawa Centre (Mr. Cassidy) touches on a point which has concerned me; there's no intention in the bill to tax newspaper. The intention is to try to apply the taxing statute to advertising material put out under the guise of newspapers. The section presently reads, "newspapers however purchased," and under that we have had a regulation attempting to interpret newspapers meaning publications, usually daily or weekly, containing news, advertising and literary matter. This includes trade show newspapers, but doesn't include credit or business reports or similar printed matter.

The difficulty with this is that we cannot get a definition which is sufficiently sharp that it homes in on the true newspaper and exempts the true newspaper, be it daily, weekly or whatever, without getting into some difficulties with advertising flyers that may contain some item of news—and it doesn't matter how old it is; there's no requirement that news be current. Some have gone so far as to public excerpts from CP bulletins that might be six weeks old just for the purpose of including in their advertising material some element of news, a masthead, an address and so on, and they would appear, under the definition under the Act and under the definition by the regulations, to be a newspaper and, therefore, free of retail sales tax, in, one might say, unfair competition with those who are legitimately putting out

advertising material of one form or another and not trying to get it up under the guise of newspapers.

I think the last thing in the world that would ever happen, I guess, would be if newspapers were dragged in under the Act and taxed the way advertising material is intended to be taxed. But what we're trying to find is a definition that will distinguish the one from the other.

[3:45]

What does concern me, though, as I said in my remarks, was the concern expressed by the member for Ottawa Centre that this is broad. It does appear to me to be broad and I have expressed this concern to my staff. I had wondered whether it needed to be this broad in order to accomplish what we're seeking to accomplish. If I can come up with anything when we are in committee on this, any way in which to modify this in some fashion, or if the hon. members opposite can help me in coming up with something that will accomplish what I think is accepted as a desirable goal, then I certainly would be happy to entertain and see introduced an amendment to that section; but we do need something.

The member for Riverdale (Mr. Renwick) referred to section 4 in his comments, and yet I think he was speaking about the imprisonment provision in section 11 as being rather Draconian. When we get into the details of the bill, I think I can explain to him and to hon. members just what was intended and why we have proposed these particular amendments.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for committee of the whole House?

Agreed.

ONTARIO GUARANTEED ANNUAL INCOME AMENDMENT ACT

Hon. Mr. Meen moved second reading of Bill 47, An Act to amend the Ontario Guaranteed Annual Income Act, 1974.

Mr. McClellan: I want to rise to oppose Bill 47 on behalf of this party. I want to inform you, Mr. Speaker, that we are opposed to it in principle, that we will divide on it and that in the unfortunate eventuality that it passes, we will move that the bill be sent to committee of the whole House for amendment.

I want to say that we think this bill in principle constitutes an attack on the rights

of new Canadians in this province in no uncertain terms. What the minister is proposing to do is to change the residency requirement for the GAINS pension from five years to 10 years in section 1(2)(3).

We are well aware of the justification for these proposed changes. It's an exercise in Hendersonian restraint, pure and simple. The government will probably save some \$3 million or \$4 million, by our calculations, by virtue of the changes in residency requirements. But what is at stake is not simply a matter of dollars. What is at stake are the fundamental political rights of a group of people in this province, and the government has absolutely no right to take those rights away.

The pettiness of the measure also needs speaking to. At the present time, we are aware that the Ontario government pays the whole cost of GAINS pensions for people who do not meet the eligibility requirements for old-age security. I understand that some two per cent of GAINS clientele are in the category of people who do not meet the old-age security requirement. I am also aware that they constitute something in the order of 17 per cent of the total cost of the GAINS programme. But the very fact that there are inequities in the federal legislation is no excuse for introducing those inequities into Ontario law.

This government's obsession with the kind of Hendersonian sleight-of-hand politics of switching costs from one level of government to another has gone utterly too far this time. The government has got itself into a tuck on fundamental rights of people that is abhorrent to us in this caucus. What the government is doing is establishing two classes of citizenship in this province—those who are here 10 years and those who are here five years. It is utterly inappropriate to base the eligibility for government pensions on some kind of a distinction or discrimination as between classes of citizens. The government will be depriving Canadian citizens who happen to be new Canadians of entitlement for GAINS programming, and it is utterly inexcusable to be proposing these kinds of measures to this Legislature at this time, regardless of the sleight-of-hand cost savings.

I might mention, finally, that the net consequence to new Canadian citizens who are now put into a second class status by the changes proposed, is that rather than be eligible for GAINS pension they will be eligible for family benefits under a needs test and an assets test at substantially reduced rates of payment—the difference be-

tween something in the order of \$269 for a single person on GAINS, as opposed to \$190 a month for a single person on family benefits. Again, the government is simply establishing two classes of Canadian citizens by virtue of the length of their residency in this country. It is absolutely unacceptable to this caucus, and we will oppose the government on it when the matter comes to a vote.

Mr. Foulds: Shameful piece of legislation.

Mr. Edighoffer: Mr. Speaker, I would just like again to make a few comments on Bill 47, an Act to amend the Ontario Guaranteed Annual Income Act. This proposal, of course, was made by the Treasurer in the budget. It would appear to me that this, of course, would eventually—or at the present time—bring citizens together in receiving their benefits. I think, however, that we will support the legislation, but feel—

Mr. Moffatt: Bring citizens together?

Mr. Edighoffer: —that it should go to committee to make certain that this is hopefully phased in over a period of time.

Mr. McClellan: You'll phase it into the legislation, but you may phase people out.

Mr. Speaker: Order please. The hon. member for Sudbury East.

Mr. Martel: That's the first time I've heard of phasing-in discrimination. You can cut it anyway you want. In fact, what you are going to have is people now—

Mr. Speaker: Would the hon. member address his remarks to the Chair?

Mr. Martel: Mr. Speaker, what they now have are people who have been here six years who are in receipt of GAINS, who will be here seven years in receipt of GAINS—and other people who will have been here nine years and not be eligible for GAINS.

Hon. Mr. Meen: Not now.

Mr. Martel: It certainly will—when the government introduces this. They have to have a 10-year residency requirement. If they don't get it now; if they haven't got it now—they've been here eight years.

Hon. Mr. Meen: They have a year to apply.

Mr. Martel: They have a year to apply. Be that as it may. What happens when they have been here eight years?

Hon. Mr. Meen: They can apply.

Mr. Deans: They may not be eligible.

Mr. Martel: Sure, and they may not be eligible because they may not have been here 10 years. What is even more sinister is the point I want to talk to, because the government can phase in discrimination and the Liberals will accept what they adopt. If you look in the explanatory note and you try to hang your hat on something, it says it is to coincide with what the federal government is doing—right. Why don't they do what the federal government does and introduce an escalator clause?

In the GAINS portion—in all the pensions in Ontario—the beggars over there went to Ottawa a number of years ago and decried the fact that the federal government did not have an escalator clause in the Canada Pension and the old age pension, and they screamed blue murder that they should put in escalator clauses. When it came time for them to come back to Ontario and to put these escalator clauses into such things as the Workmen's Compensation Board pension benefits or in the mother's allowance under family benefits, of course, the Tories backed off—and here they go again. They nibble. They take what is convenient. Because it coincides with what Ottawa is doing, therefore they will introduce it.

Well, why don't they put an escalator clause in the pension in Ontario, as Ottawa does? Now, that would be taking it too far. It brings in the discriminatory aspect of it, and that's all well and good. And because the Liberals in Ottawa believe in discrimination, of course, so too should the Tories. Why be any different? You've always been the same. There is not much sense in changing now.

One wonders why they introduced it the way they did a couple of years ago, though. I was involved in those debates, and I guess it was because on the eve of an election a year away, we could bring in that thing. Barrett looked good doing it. Ontario had to, because there was sufficient pressure from the senior citizens in Ontario, and in the face of an election, what in God's name do they do but introduce the clause in the bill which says five years. That's what Barrett was doing. But it cost us money. The difference between the Tories and Barrett is, he understood the legislation. He understood the handout game in Ottawa better than anyone else and when he—

Mr. Reid: They caught on to him after one term, I can tell you.

Mr. Martel: Well, we will talk about Barrett, if you want.

Hon. Mr. Meen: It was not a long term—

Mr. Martel: It's an indication, I think, of what I said earlier.

Mr. Reid: They are suffering for it now.

Mr. Martel: It's funny when drowning rats can all get on the same boat, Pat. All the right wing finks could get together in a hurry in BC, and it is obvious they are doing it here this afternoon in the Legislature as well.

But Barrett knew the Ottawa legislation better than anyone in Canada. He went down to Ottawa long before this government did to see if he could get a crack at the Canada Assistance Plan funding, and he got some and so Ontario followed suit. I suppose Wacky Bennett Jr. will now move legislation which will, in fact, bring in discrimination in its rankest form. But we oppose it. We oppose it on that and, as I say, we oppose it because it only goes half way.

If they are going to talk about following the Liberal example in Ottawa, the least the Liberals could have done is insisted on an escalator clause, because there is an escalator clause in Ottawa. The only thing that they accept readily over there is discrimination, but not an escalator clause that this government asked for. The Liberals stand condemned, as the Tories stand condemned, for even introducing the bloody thing. It is not costing the province that much and I simply abhor the fact that if a person has been here for only six years, despite the fact that he is a Canadian, despite the fact he has residency and citizenship, because he hasn't quite made it he is not going to be eligible. That is rank discrimination.

I would encourage the Liberals—seated to our left but philosophically to our right—to change their position on the two grounds. It is discriminatory. I really can't understand the Liberals supporting that garbage, I really can't, and I would encourage anyone who is in control over there to have the caucus reconsider the decision and oppose that amendment, and in particular that clause. Thank you, Mr. Speaker.

Mr. Speaker: Does any other member wish to participate? The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, there are occasions on some bills where another voice repeating, perhaps in a different way, the same arguments that have been made is im-

portant and essential, and I intend to do that. The minister knows that his colleague, the Treasurer, in a laconic statement, introduced in the budget the full implications of which are now reflected in what appears on its face to be nothing but a technical bill, referred to this problem, and I quote what the Treasurer said:

It would be appropriate at this point, however, to state that legislation will be introduced changing the GAINS residency criteria, which is presently five years in Canada. Effective April 7, 1976, new applicants for GAINS must meet the same 10-year residency criterion that is required for federal OAS and GIS benefits.

[4:00]

What the minister is doing—for the sake of conformity and for no other reason that we can tell, although we have tried to find out the quantified number of dollars that the government will be saving by this kind of measure—what the minister is saying is that if you come here as a landed immigrant and obtain your Canadian citizenship or if you have fulfilled the residency requirement that would permit you to apply for your Canadian citizenship, in this particular respect you must wait another five years before you can get the additional few dollars that this government provides to bring a person's income up to what we call a guaranteed annual income. I can't understand how this government could say that there can be Canadian citizens in this country, some of whom are eligible to apply and some of whom are not eligible to apply.

We have spent a good deal of time over the last 20 or 30 years abolishing the distinction between citizens who become citizens by application after five years landed immigrant status and citizens who are native-born. A native-born citizen is a person who will have been here for the residency requirement long before the point in time when he has to meet the requirement to be eligible for GAINS, and the minister knows that. The only people who can be hurt are non-native born Canadians who are either citizens or eligible for citizenship. That's what the minister has done. Why the federal government ever adopted 10 years is beyond me, but it certainly should not be a relevant argument in this assembly as to what this government should be doing with respect to the kinds of discrimination which have been pointed out by my colleagues.

I noticed that the minister interjected and said that of course as of April 6, 1976, if anybody considers himself to be an eligible

person, he has a full year in which he can make his application. Therefore, in the so-called technical language of taxing statutes, a notch provision is providing some kind of opportunity for persons who are presently eligible but haven't as yet made the application. The government is giving them one year to apply. One year isn't adequate because there's no arbitrary period of time which will remove the inequities, even for those persons who may now be eligible.

I don't pretend to have followed all the intricacies of the debate that took place about it, but I know the broad substance of it. One of the major problems we in this caucus face is to endeavour to get persons who are disabled, unemployable and in receipt of family benefits assistance or general welfare assistance transferred to the guaranteed annual income programme, so that those persons will be designated as unemployables and will be eligible for the additional numbers of dollars which are paid under the GAINS programme which are not available when one takes simply into account the funds which are available under family benefits assistance or general welfare assistance on a monthly basis.

So, if my assumption is correct, the government one year from now will be denying persons who may very well meet the present residency requirement but, who through the arbitrary decisions of this government, are not eligible for GAINS because the government will not admit that they're unemployable. Then, at some point in the future, if they become in the eyes of the government unemployable, the government will be able to say: "You must still remain at the reduced amount because, where you used to fall within the five-year residency requirement, you now fall within the 10-year residency requirement and you're not going to be eligible."

What we think the government is saying is that it wants to take a large number of people out of the GAINS programme, not because they're unemployable, but because they haven't been here for the additional five years. That is another reason why we oppose the bill.

I assume that the statements I have made are specifically accurate because the question of who qualifies is not a decision which is made on some objective test of residency. There are other criteria which are involved to determine whether a person becomes eligible for the GAINS programme.

If the minister insists on extending the five-year provision to 10 years on April 6 or April 5, 1977, there will come a cutoff point for

persons who would otherwise have been eligible, in the minds of most persons, and who would be unemployable. If they become unemployable after that date, the minister will say, "You may be unemployable now but you're not eligible for GAINS because we've changed the rules and it's a 10-year period."

I can't conceive that the government could justify a saving in the expenditure of funds at the expense of persons who must be, in most cases, 65 years of age or over; and to do so at the expense not of native-born Canadians but at the expense of Canadians who may be Canadian citizens or eligible for Canadian citizenship after their five years in Canada. They will be told that in order to get this additional supplement they must be here for another five years.

Mr. Martel: Scrooge.

Mr. Renwick: Now in those two gradations of classes of people this government which, in many cases, prides itself on the non-discriminatory nature of its legislation is in fact discriminating in a most reprehensible way. It is disguised as a mere amendment in order to make it conform with decisions or rules which are established by the federal government for old age security and guaranteed income supplements.

We say to the minister, "You're wrong. Will you reconsider? Would you stand the bill down? Will you withdraw the bill?"

Mr. Bounsall: Withdraw it.

Mr. Renwick: He can simply say, "We have made a mistake. We didn't understand the implications of it."

Mr. Martel: The Liberals will support them.

Mr. Renwick: I say to my colleagues on the left, in the Liberal Party, that I don't understand how it is possible for members of a party which, over the years, has insisted upon the Canadian citizenship requirement for eligibility for a large number of other more remunerative matters, at this point in time to say, "You can be a Canadian citizen or be in the country as a landed immigrant; have been here for five years and become a Canadian citizen; but you are not eligible for the GAINS programme without waiting for another five years." We can't possibly conceive that with proper consideration, the Liberal Party would not support us in our opposition to this bill. We ask their members to support us if the minister and the government will not withdraw the bill.

Mr. Speaker: Does any other hon. member wish to speak to this bill? The hon. member for Kitchener.

Mr. Breithaupt: Mr. Speaker, I was going to ask if this might be an opportune time for the minister to deal at least with the points raised by the member for Riverdale (Mr. Renwick) so that we can have an explanation to see if the bill, as has been suggested, is one which will not deny benefits to persons who are receiving benefits at the present time but will deal to some degree with persons who are here for more than five but less than 10 years and their presumed ineligibility for benefits. Perhaps if the minister could respond to those particular matters, we would have more information which would be of use.

Mr. Good: Mr. Speaker, in order to have the other details answered, would the minister in his reply give us an indication of how the GAINS benefits are calculated for those people who are not now in receipt of guaranteed income supplements? My understanding has always been that the GAINS benefits are directly related to the amount of old age pension and guaranteed income supplements.

Mr. Martel: About \$40 a month.

Mr. Good: If the minister is paying now, could he tell us how those benefits are calculated for persons who are not in receipt of guaranteed income supplement or old age security?

Hon. Mr. Meen: Mr. Speaker, the rate established for GAINS is presently \$269.30 for an individual or twice that for a couple. That's predicated on the basis of OAS/GIS at that figure, less \$38.88, whatever that comes out to. And, as the hon. members know, every time the OAS/GIS has been adjusted for the cost-of-living index—the last figure being a \$4.30 increase at the beginning of this month—the government has reflected at least that amount forward through to the beneficiaries under OAS/GIS and GAINS; in this case, bringing it up to \$269.30.

The other side of this programme, and a very expensive side of the programme, is that to which the members have been directing their observations in this debate. It concerns at present—that is, as of the end of March; it will likely be somewhat lower this month because of the requirement for requalification—some 6,200 GAINS recipients with the five-year residency qualification but lacking the 10-year qualification, which therefore would qualify them for OAS/GIS. That part of the programme, as one hon. member mentioned—

I think it was the member for Bellwoods—represents two per cent of the total clientele under GAINS and yet roughly 17 per cent of the total budget money set aside for GAINS. It's an extremely expensive part of the programme, in other words.

I honestly don't know why we extended the programme to the five-to-10-year group in the first place. I think it would have been a lot wiser to have limited it to the same clientele qualification area as that under OAS/GIS; in other words, the 10-year residency rules, where a very substantial part of the GAINS total figure of \$269.30—which, I should emphasize, has to take into account any income from any other sources as well; but that is the figure we presently look at as the minimum. This part of the programme tends to be open-ended, because every last cent whereby OAS/GIS is increased therefore is also passed along to those GAINS recipients in the five-to-10-year category.

It is a budget matter which the Treasurer (Mr. McKeough) had to weigh very carefully. The expense is about \$23 million on a total-year basis and is anticipated to rise to well over \$30 million a year in the next two, three or four years, with indexing and the like. These individuals, if they are not on OAS/GIS and GAINS—some because of their own income or lack thereof—might well qualify for assistance under the Family Benefits Act or the General Welfare Assistance Act.

Mr. Martel: There is a lot less.

Hon. Mr. Meen: In the case of—I am not familiar with these because they are under another ministry, but my recollection is that general welfare assistance receives an 80 per cent contribution from the federal government and the Family Benefits Act assistance is 50 per cent. The member for Sudbury East—

Mr. Martel: Both get 50 per cent.

Hon. Mr. Meen: Both get 50? Well, there is some assistance under those Acts from the federal government; and although, admittedly, they do take a look at the means—they have a means test—and their payments are not quite as generous as ours have become under OAS/GIS—they are something around \$190 or so where it is needed—it was felt by the government, and it was felt by us, that for this period of five to 10 years—

Mr. Martel: They got as hungry as everybody else, though.

[4:15]

Hon. Mr. Meen: If they are getting as hungry then they can get assistance, and

assistance is available to them. There has been some suggestion that we are taking something away. At the very most, one could concede, and I guess one would concede, that one is taking away an expectation held by those who may be approaching the five-year residency qualification date; that come that magical five-year date under the Act as it has existed, they would then qualify for GAINS. All of those who have qualified, and we think there will be a number who are qualified but have never applied to us, for whatever reason—they have not applied to us but they are qualified—they have a year in which to make that application. If they qualify, then they are qualified and they will remain qualified right through until the time when a substantial part of the GAINS programme is picked up by OAS and GIS.

I suggest to hon. members that we are not taking away anything in terms of dollars. We are not taking away anything except possible expectation that someone was going to be able to get on the GAINS programme after five years, and there may well be some in that category. There is other assistance available to them where they need it, and we feel that in bringing this into line with the federal government, not only will the savings be there, which are of the order of \$3.5 million to \$4 million in the first year, increasing in the next year; of course, they double up, so that over a period of five years the total cost of \$23 million is saved even at today's dollars—\$23 million even at today's dollars—and by four or five years from now that saving will be substantially greater, but that kind of saving can then be passed forward to the GAINS clientele in the 10-year category and we will then have the additional moneys available for that purpose.

Mr. McClellan: There are still two classes of citizens.

Mr. Martel: Arthur, that is convoluted.

Hon. Mr. Meen: Mr. Speaker, I just repeat that there is the phasing in—I am not repeating this point, I suppose—there is the phasing in, in effect, over the next year. No GAINS recipient will lose. Any present GAINS recipient and anyone who qualifies within the next year up to April 6, 1976, will be in the GAINS programme through the five-year period right up to the point where he comes into the final system under OAS and GIS.

I think that concludes my observations, Mr. Speaker.

Hon. Mr. Meen moved the adjournment of the debate.

Motion agreed to.

CENTRAL ALGOMA BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Mr. Wells moved second reading of Bill 51, An Act respecting the Central Algoma Board of Education and Teachers Dispute.

Mr. Speaker: Does the hon. minister wish to make opening remarks?

Hon. Mr. Wells: Yes, Mr. Speaker, I would like to make a few remarks that follow along on the very short remarks I made when I introduced the bill on Friday morning. I might just say, first, that I am in receipt of a copy of a letter written to Mr. W. R. Wilson, the director of the Central Algoma Board of Education. It reads:

Dear Sir:

In view of the public meetings held this week by the teachers and the concern our teachers have regarding further delay in getting students back to school, the teachers of Central Algoma Secondary School have spoken to the Minister of Education and officially notified him that they are voluntarily returning to school on Monday, April 12, 1976. The teachers have been assured by the Minister of Education that there will be legislation requiring final offer selection. We hereby notify the Central Algoma Board of Education that the teachers are ending their strike and will be in school April 12, 1976.

(Signed)
Peter Barrett,
President,
Central Algoma Division,
OSSTF, District 30.

That was a letter, as I say, written to Mr. W. R. Wilson, the director of education for the Central Algoma Board of Education. Subsequent to that letter, the Central Algoma high school opened today and pupils are back in their classrooms and teachers are back teaching in that particular school.

The only thing that remains unresolved is the resolution of the problem, the settlement of the contract which ended Aug. 31 and which has been under negotiation for some time, since April 15, 1975. This bill provides a method for solving that particular part of the problem. It puts the matters in dispute to final offer selection.

Final offer selection was chosen in this particular case because there are actually relatively few matters still in dispute; basically monetary matters plus, as I understand it, one or maybe two other conditions of work.

It is a situation in which final offer selection can work very easily and I hope and I think very well.

It is for a one-year contract because that is what the people in this particular area, the teachers and the school board, have been negotiating about since, as I say, last April. They've been negotiating for a one-year contract.

Because of the actions which, as I have indicated, have taken place so that the schools are now open, I propose in committee—again, this is as I indicated in this House on Friday morning—to move an amendment which will change the preamble to outline the situations which now apply and which are historically correct as of today and as of when this bill receives royal assent. I will also move an amendment which would remove subsections 1, 2 and 4 of section 2 because they are not necessary because the teachers are back in the schools and the board has not locked anyone out.

As of this bill receiving royal assent, everyone will be deemed to have agreed to final offer selection under Bill 100. Of course, once that happens under Bill 100, for the term of this contract and until the new contract which finally comes about because of final offer selection has expired, there can be no further strike or lockout.

I really see no need for a long debate in the House over this particular bill. It's a situation which I would hope and had hoped we wouldn't have to debate further today. I spoke to the board over the weekend and indicated that all it had to do was agree to go to voluntary final offer selection and we could have let this bill die on the order paper. Such was not the case; therefore we need this bill in its amended form in order to put the final piece in the puzzle of that dispute and bring it to a finality.

I see that my friends across the House have moved their usual reasoned amendment on this particular bill. I would suggest to them that there is no real place for that reasoned amendment on this bill. I would hope that they would just forget about it and withdraw it.

We're doing exactly what the parties want in the Central Algoma situation; exactly what they want. I see some shaking their heads. They want to open those schools and they want the matter put to final offer selection. That is what the parties want; that is what the teachers want; and that's what we're doing with this bill. I think we could pass it in the next 20 minutes and the whole situation would be taken care of.

Of course, if they're going to continue to obstruct the bill in their usual way by placing a reasoned amendment—

Interjections.

Hon. Mr. Wells: The interesting thing is, those members kept saying to us during the last two debates that all we did was bring in the same type of bill—that we had come back and brought in the same type of bill in these disputes. I said then and I say again we will deal with each situation individually on its own merits, with a piece of legislation if necessary. I hope it's not necessary but it seems to be in certain cases. We'll bring in a piece of legislation tailored to the particular situation.

Having a bill which is entirely different from the last two bills we brought in, my friends opposite now drag out their same reasoned amendment and bring it back in—the same reasoned amendment—with no consideration for what the teachers particularly up there want. The teachers have asked for exactly what we've done.

Mr. Foulds: We are not opposed to it. It's a matter of principle.

Mr. Speaker: Order, please.

Hon. Mr. Wells: It's not just a case of a matter of principle.

Mr. Foulds: You don't understand the difference between principle and expediency.

Mr. Bounsall: We have the principled position in this matter!

Mr. Foulds: The schools are open today.

Hon. Mr. Wells: It's a case of whether you are concerned about the students up there and about the morale situation. The schools are open today, the teachers are back there today. So why take the time of this House with a long, convoluted argument repeating all the same things? Let's just get down to business. We have got a few other disputes to worry about.

Mr. Foulds: That's exactly what happened last time, Mr. Speaker.

Hon. Mr. Wells: I submit, Mr. Speaker, that the creative people are on this side of the House, and the non-creative people, of course, sit over there on that side.

Mr. Foulds: The theory is that this is a democracy.

Mr. Bounsall: We've proposed the only creative solution that looks to the future for long-term peace.

Hon. Mr. Wells: They sit on that side of the House—right from that aisle down—and the blinkers are right on them.

Mr. Wildman: I welcome the comments of the minister and I do admit his attempt to be innovative in this particular dispute—and I mean that sincerely. However, the bill as introduced, even with the amendments which he has suggested and which will come after second reading in committee, still involves compulsion.

Hon. Mr. Wells: On whose part?

Mr. Wildman: On the part of the government toward the board, in this case.

Hon. Mr. Wells: Toward the board, not the teachers.

Mr. Wildman: I agree with the minister. I had hoped that we wouldn't have had to debate this bill today, either. I would have agreed again with the minister that I would have hoped the board would have agreed to go to arbitration voluntarily, since the teachers had indicated they would do that this weekend.

I had contact with both sides over the weekend, as did the minister. The board, after a long discussion, came to the conclusion that it could not voluntarily agree to final offer selection. It hasn't done it, and so again we are presented with a situation of compulsion—that is, in this case, compelling the board to agree to something it doesn't want in order to bring an end to a dispute.

The impasse between the secondary school teachers in central Algoma and the Central Algoma Board of Education could have been resolved had both parties displayed willingness to resolve the dispute.

Mr. Ferris: It's resolved.

Mr. Wildman: The dispute is not resolved; the schools are open, but the dispute is still there. Instead, both sides have been involved in personality conflicts which have delayed negotiations and poisoned the atmosphere to the extent that they have proved to be obstacles to fruitful negotiation. From Feb. 6, when strike notice was served, until the ERC hearing last week, there were only four or five meetings between the two sides—including the two mediation sessions—and the investigation of the bad-faith bargaining

charges brought by the board against the teachers.

The failure to come together for negotiations appears to have been the main reason the dispute has dragged on for so long. For the 45 days or more since strike action was contemplated, the two sides have met across the table only once.

Legislation ending the Metropolitan Toronto and Kirkland Lake disputes was mostly responsible for the unwillingness to negotiate in central Algoma. With the passage of those Acts, Mr. Speaker, boards and teachers across the province were convinced that the government saw back-to-work legislation and imposed arbitration as a final step in resolving labour disputes in the educational field. If strikes are ended in this way, it is ridiculous for boards or teachers to be flexible and to move in negotiation.

Mr. Cunningham: The teachers wanted arbitration.

Mr. Wildman: Whatever is lost in negotiations cannot be won back in arbitration. I hear the comment that the teachers wanted arbitration. It's important for the members to realize that in this case, and in all other cases, we are not being partisan—we are considering the principle of compulsion. We are not here to support the teachers or the board; we are here to discuss the principle of compulsory arbitration.

The opposition warned that the passage of the legislation in the Metropolitan Toronto and Kirkland Lake disputes would have this effect—that is, that people would not want to negotiate; and it certainly has had that effect in central Algoma. As a matter of fact, at one point before the strike, back in January, the two sides were only about \$13,000 apart. That's the total package. Surely a settlement could have been reached if both sides had really been serious about it.

[4:30]

Instead, all those involved have been expecting for at least one month, and perhaps more, that the strike would eventually be ended by legislation. This was hardly conducive to negotiation and neither side really negotiated. As a matter of fact, as I said before, they hardly even met.

Because of the long duration of the strike without any appearance that real negotiation was taking place, the Education Relations Commission held a public hearing last week to determine if the students' opportunity to complete their credits was being jeopardized. Both the board and the teachers agreed that

if the strike continued much longer the students' progress would be impeded. Since Central Algoma Secondary School is on a semester system where students complete their eight credits by studying four courses in each half of the school year, the effects of a prolonged closure there could be far more serious than it was in other areas.

Up to this point, school closures resulting from strikes has taken place in non-semestered systems or have straddled two semesters, as in some of the schools in Metro. The closure at CASS is the first time a strike has taken place in one semester only.

While the ministry requires 110 hours per credit, the students have lost over 30 hours. They have received 13 hours of instruction and there are only 53 credit hours remaining. Therefore, course content will have to be curtailed. Courses which require repetitive practice for skill development, typing for instance, will be difficult to complete.

As well, a prolonged dispute can only have detrimental effects on the development of the school as a community, and as a centre for community development in central Algoma. If the two sides had really been concerned about the progress of students and the future of CASS, then they should have moved heaven and earth to reach a negotiated settlement. At the public ERC meeting last week, the teachers indicated their concern by offering to return to school voluntarily and to submit to voluntary arbitration, preferably final offer selection, if the board would agree. The board stated that final offer selection would be acceptable, if the teachers would return to the so-called "mediate offer" which they had proposed before the strike began.

Again this indicates that a settlement could have been reached long ago without a long closure of the school if both sides had been willing to move just a bit. This offer by the board, however, was not acceptable to the teachers and was not really in keeping with the spirit of voluntary final offer selection the teachers were suggesting. Even at this stage, it appears that both sides could reach an agreement if the government would make clear to them that that is what is required of them, instead of taking the responsibility away from them by imposing arbitration.

The teachers have returned voluntarily to school today, that is all the teachers are in school, and I believe about two-thirds of the students are in school. That obstacle to real bargaining, if it was one, the strike, has been removed.

The school is open, and hopefully this would mean that good-faith bargaining could

continue. Surely the government realizes that the bad-faith bargaining charge laid by the teachers recently against the board should be dealt with and ruled upon to make way for real negotiation to bring about a settlement. It is about time the government took the bad-faith bargaining provisions of Bill 100 seriously.

The two sides in teacher-board disputes have to realize it is their responsibility to negotiate settlements and that government will not continue to allow them to dig in their heels and stall in expectation that compulsory arbitration would be imposed by legislation. It's the responsibility of the board to negotiate in the interest of the students, the community, the taxpayers and in education in general, just as it is the responsibility of the teachers to negotiate a settlement in the interest of themselves, the community and education.

Both sides must take these responsibilities seriously and not slough them off to the Legislature of this province and to the government. The government must make clear that is its position, that it is the job of the parties involved to negotiate settlements locally. Legislating arbitration does not do that. It will only indicate that intransigence and irresponsibility will be rewarded with legislation rather than penalties for bad-faith bargaining. We believe the bad-faith bargaining charge should be dealt with, and if it is proven penalties should be imposed to force negotiation to proceed in good faith to a settlement.

The schools are open, the strike is over; now let's have a negotiated settlement.

It's for these reasons, and the fact that we cannot support the compulsion in the bill, that I am moving the reasoned amendment as printed on the order paper and seconded by Mr. Foulds. If it is passed, as the minister suggested in his opening remarks, Mr. Speaker, then we will move amendments in committee to delete section 2 and renumber the following sections accordingly.

Mr. Speaker: Mr. Williams moves that Bill 51 be not now read a second time but be read a second time one hour hence, and that it now be referred back to have it incorporated therein the following amendment:

Section 1: Delete subsection f and reletter following subsections.

Section 2: Subsections 1 and 2 to be deleted and the following be substituted therefor:

During the period from and including the first Monday after this Act comes into force until an agreement as defined under the School Boards and Teachers Collective

Negotiations Act, 1975, comes into effect, no teacher shall take part in a strike against the board of education and the board of education shall not lock out a teacher.

Subsections 3 and 4 to be renumbered 2 and 3.

Section 3: Subsection 1 to be deleted and the following substituted:

The terms and conditions last offered by the board to the teachers shall be implemented on an interim basis.

Subsection 2 to be deleted and the following substituted:

The parties involved are instructed to resume forthwith negotiations in good faith in order to resolve all matters remaining in dispute.

Subsection 3 to be deleted and the following substituted:

The parties shall each give written notice to the Minister of Education within seven days after the day this Act comes into force setting out all matters the parties have agreed upon for inclusion in an agreement and the matters remaining in dispute between the parties, and the notice shall be deemed to be notice to the commission and thereafter, except as provided in section 57 of the School Boards and Teachers Collective Negotiations Act, 1975, a party shall not withdraw from negotiations hereinafter provided for.

Subsection 4: Delete.

Section 4: Delete.

Renumber sections 5, 6 and 7 as sections 4, 5 and 6.

Mr. Ferris: I would like to make a few comments, Mr. Speaker. I will agree with the Minister of Education that there probably is not a necessity for a great deal of debate. It is probably no surprise to the people to the right of me that we will be supporting the legislation and we will not vote in favour of the reasoned amendment.

I think that we are looking at a situation where it is good to see that the teachers have taken the initiative and opened the schools again—

Mr. Wildman: A school; there is only one.

Mr. Ferris: A school. That's right; there is only one. The educational programme has commenced again, and there is much credit to them for this. It is most unfortunate that the board has not seen fit to take the same kind of action and eliminate the possibility of having this bill before us. But since that is

the case, and it probably is a sign of what has happened over the last year—and it is now a year that they have been talking—it seems only logical that we proceed.

We have once again gone through the normal steps of Bill 100—conciliation, fact-finding and mediation, including for the first time on both sides, I guess, a bad-faith charge being made to the ERC.

Mr. Wildman: Both have charged that.

Mr. Ferris: Yes, both have. With respect to the choice of final-offer selection—

Mr. Wildman: The teachers' charge has not been dismissed. It is still pending.

Mr. Ferris: If my friend would listen, I said they have both made charges.

With respect to the choice of final-offer selection, I believe that could be very useful. It is the first time that we have seen anything other than compulsory arbitration introduced into this. In discussions with people who have been involved, I have learned that both sides at one time or another, albeit never agreeing at the same time, have had discussions on final-offer selection. It will be interesting to see the outcome of this.

Very briefly, I would like to mention a couple of points of concern that we have. One that I feel most strongly about—and this relates back to the position we took in the other strikes—is the responsibility of the ERC and their response to the educational requirements of the students. In previous comments we tried to stress that local situations should be viewed and acted upon and not tied up to a number of days or anything like this, particularly in this situation, as has been mentioned, in which it is a semester system. It has been closed for 35 days of a 94-day school term.

It would seem that probably the natural thing would be that perhaps we should be looking at it in half the time that the Metro system or a nonsemester system should be looked at. This is why we strongly feel that we have to have this more closely watched while the strike is going on.

I was looking back today—I wonder if the minister would perhaps comment after—at a statement made by the minister talking about the ERC on March 11 in the debate about Kirkland Lake. He said:

They [the ERC] sent me a set of ground rules under which they would operate for this responsibility, one of them being that if I wish to have them give me an opinion they would give it to me if I asked for it. The other was that under various circum-

stances they would form their opinion themselves.

It might be interesting for the minister perhaps to talk a little bit today about those various circumstances.

Better still, perhaps the minister could table a document which would explain the ground rules ERC works under, and the conditions, as it views a strike and the various situations. It might be most useful so that those who are concerned, the members of the Legislature especially, would fully understand the workings of this body.

A couple of minor concerns we also have are in relation to subsection 3 of section 2, dealing with the PD days. The clause is exactly the same as that included in the Metro and Kirkland Lake bills. Perhaps in his comments the minister might wish to give us some kind of assurance that his office will take the action necessary, especially in this semester environment, to ensure that these really will be used as instructional time and that we will not be looking at the potential change being made in Metro, where they are now saying we don't really need those. That in itself is another matter but I think we should also address ourselves to that question and how it can be assured that the term will be used most effectively.

Another comment is I feel it is perhaps unfortunate that we could not be looking at a two-year settlement here. The minister alluded to that early in his comments—that neither side had talked about it—but perhaps it could have been introduced as an option. I don't feel we will make an amendment in this instance but it puts the situation into the unenviable position that, almost on the day the settlement is announced, negotiations will begin for the following term. I think it would be far better to have had a settling down period, if it was possible, but apparently since neither one made this any part of any offer it would, I believe, also constitute a problem.

In conclusion, as I said, we will support the bill and not the reasoned amendment. We would hope that the school system in central Algoma can once again become a functioning, good educational environment and the students will not suffer any more damage than has been done.

Mr. Bounsall: Mr. Speaker, we appreciated the minister's remarks when he came into the House and the fact that in this bill he has provided a different route than in the other bills.

It would be a great temptation for us in this party, in this particular dispute, to

simple-mindedly ease our way into supporting the government bill, particularly as we know the background of this bill. At one point they were only \$13,000 apart. The board laid a bargaining in bad faith charge against the teachers which was proved to be false. The teachers have laid a bad faith bargaining charge finally against the board which is still being proceeded with.

[4:45]

The board, from what anyone in contact with the dispute can tell, does not seem to be very interested in bargaining. The teachers for some time have made an offer that they would be willing to participate in final offer selection, going to that process voluntarily, which is a stance we would support. The board has rejected voluntarily going to final offer selection, clearly indicating that they are the ones who are impeding the negotiations at that point.

It would be very easy in one sense for us to say that a bill coming in which in essence puts both parties to the dispute in the situation of having compulsorily to accept final offer selection is a position which is in support of the teachers' position, the position which we support, the position of the workers, the working slob in any situation.

Interjections.

Mr. Bounsall: That phrase "working slob," was coined by the member for Armourdale (Mr. Givens) to describe the teachers in a derogatory way.

It would be very easy for us to accept what was in the government's bill, if we did not look at the bill and the situation from a principle point of view. And that principle tells us that we should not proceed with compulsion as a means to settle labour disputes.

I know the minister has an obligation on him, or feels it very strongly in a particular situation to find what is emerging to be perhaps an easy way to the solution. But one worries, and I worry in particular and our party worries, about a compulsory solution being handed to anyone when either or both of the parties do not particularly want that compulsory solution. We're opposed to it, not just from the compulsion of it, but because we know it doesn't lead to good labour relations again in the future. In the case of any board or group of teachers upon which this is placed, we can almost look ahead regretfully to what's going to happen at the termination of this contract and know there are going to be further labour problems.

The problems will be partly a result of the bill which we have introduced in this House

which forces on at least one side a procedure which it has not agreed to. It would be very easy for us, I restate, to say this is what the teachers want, so let's vote for it in this bill and let's proceed. The teachers have again shown their good faith by voluntarily returning to school. I would say that our reasoned amendment is a very good position, whereby we let the board know that we are not going to bail them out on this one. They are going to have to bargain to a conclusion. We would say, if we had a provision which says they must bargain to a conclusion, "We are not going to bail you out by either of the two forms available in the bill, compulsory arbitration or compulsorily going to a selector who chooses one of two extremes in each case; you're going to bargain to a conclusion."

That's the kind of compulsion in terms of collective bargaining that we would only tolerate. We would say to them: "Look, here's a room, get into it. You're not coming out of it until you have a solution and we stop the food and water on the third day." That's what we would like to see in terms of getting an agreement.

Hon. Mr. Wells: You could also learn to listen a little.

Mr. Bounsall: All right, but both sides need to learn to listen to each other.

Hon. Mr. Wells: So do you. You didn't even hear the letter that I read.

Mr. Bounsall: I heard it and I listened to it.

Mr. Foulds: Oh, yes he did. We got an advance copy of it.

Mr. Bounsall: We considered that letter this morning.

Mr. Foulds: We know that they want voluntary binding arbitration.

Hon. Mr. Wells: That isn't what the letter said.

Mr. Bounsall: I might just quote some of the minister's remarks back to him.

Hon. Mr. Wells: We're presenting this bill today. That's why they are back.

Mr. Foulds: Well, why didn't you suspend reading it? They got the bill yesterday.

Mr. Wildman: They even volunteered to go back at the ERC meeting.

Mr. Speaker: Order, please.

Mr. Bounsall: You will have to contain the minister, he is getting agitated about my remarks here.

Hon. Mr. Wells: There may be a little sloppiness in the NDP; you have even a little sloppy mistake in your amendment there.

Mr. Bounsall: Listen, on that very point alone, we have made many fewer mistakes in our amendments than you have made in yours over the years, I can tell you. In fact, the mistakes per bill are much fewer.

Hon. Mr. Wells: You just took the last one and put it in. You didn't even read it.

Mr. Renwick: Yes, we did.

Mr. Ferrier: You need a new legal counsel, Tom.

Hon. Mr. Wells: You didn't read it. Well, Jim, you are slipping.

Mr. Renwick: We will ask permission to revert so we can amend it.

Mr. Bounsall: The minister is a little bit inconsistent. Just a week ago today, when I asked him about the Windsor situation, he said: "I have said many times in this House, and will continue to say it, negotiated settlements are the best kind of settlements." That is what we, in principle, are saying to you, Mr. Speaker, and we are willing to take a stand on that very statement. That is what our reasoned amendment, in fact, says.

I won't be unduly long in my remarks. The minister admitted today that the board, even faced with the type of legislation we have before us, showed again its complete intransigence by not even agreeing to voluntarily put it to final offer selection, so we wouldn't need to have this bill before us.

In that regard, I have had many representations from people in the Windsor area about Bill 100 and how it could be changed, and the debates we have had here on Bill 100 as it progressed through the various committee stages, and the bills that had to result since then. The only change that I could see that's required in Bill 100 would be a stronger section on the good faith bargaining provisions, so that there was both quick action on and stiff penalties for bad faith bargaining.

When the charge of bad-faith bargaining is laid we shouldn't have to wait for three weeks before a decision is reached. A mechanism should be set up, probably within the Education Relations Commission, for those

charges to be immediately heard and investigated and reported on within the week. When the charge simply isn't dismissed, when bad-faith bargaining is found, some stiff financial penalties should immediately apply; not just leave it for the community to believe or disbelieve the person looking into the bad-faith bargaining charges.

So we need a speedup and we need some automatic, fairly high, stiff penalties applied and applied for the number of days in which, in the future, it's evident that bad-faith bargaining is still occurring on the part of one of them. In the Algoma bill, the Central Algoma Board of Education and Teachers Dispute Act, it is fairly clear that if there is bad-faith bargaining, on which side that onus lies.

I have two other small points. One is, the minister has chosen to use final offer selection as the route here. It is a new one, it is a different one in terms of compelling them to go that route, but I have profound reservations about final offer selection. One group in this dispute, the teachers, favoured that as the solution. The minister is now bringing it in in a compulsory way.

Final offer selection by any arbitrator who has arbitrated other disputes and then come to a final offer selection dispute, has said about that, when he has made any public comments at all, that it is not nearly as good as the normal arbitration route because he has to pick and choose, in essence, between two extremes and does not have the flexibility to play off and give midway positions among various positions. He is faced with choices which he would prefer not to make, and choices which would result in a poorer contract, than if he had been allowed to write his own arbitrated decision.

So I have much less faith in a final-offer-selection decision than I have in any arbitrator's decision, and I, therefore, with that strong reservation about final offer selection, dislike it even more when it's involved in a compulsory manner, as it is in this bill.

One final point: I can see, as I see in the Windsor situation—if I can draw a parallel but not go into it in detail—I can see the Algoma board of education's position being influenced by what I believe to be an Ontario trustees' association stand, to this year at this particular point or over the last two or three months—particularly since the Toronto teachers' bill was brought in—to not negotiate in good faith to reach a negotiated settlement but to just let the dispute hang on as long as one can. There's no danger in it be-

cause the government will finally come in and bail them out by putting the teachers back to work in some form, either by binding arbitration or by this method, final binding selection of one of the two extremes in each of the points that are in dispute.

They are waiting to be bailed out. They want to be able to say, in an election that they are facing in December, in referring to the final monetary decision placed upon the electors to whom they are responsible: "That monetary side of it is not our doing. It was an arbitrator from outside or a selector from outside."

This profoundly disturbs me because of the behaviour we are going to see from boards currently in dispute and the attitude boards are going to take in the future with respect to labour disputes between teachers and boards. They are going to sit back and say: "It is only a matter of time. We can let the strike or the lockout drag on and the Minister of Education will bring in a bill which gets us off the hook."

This is evident in this Algoma board of education dispute with its teachers. It is just as evident, as I see it, as in the dispute between the Windsor board of education and its teachers. So I dislike the compulsion; and I dislike even more compulsory final offer selection as a solution to this dispute, even though in this instance the teachers would welcome it.

Mr. Speaker: The hon. member for Kitchener-Wilmot.

Hon. Mr. Welch: Mr. Speaker, with the permission of the hon. member, I am wondering if this might be a good point at which to adjourn the debate in order to go into private members' hour before another speaker starts. Perhaps the member would like to move the adjournment of the debate.

Mr. Sweeney moved the adjournment of the debate.

Motion agreed.

PRIVATE MEMBERS' HOUR:

ABORTION REFERRAL REGISTRATION ACT

Mr. Drea moved second reading of Bill 37, An Act to register the Referring of Abortions.

Mr. Drea: First, to set the framework for this legislation, I would like to point out to the House that this does not involve any philosophical or any medical dissertation on

abortion. This is purely an economic bill. It is aimed at ending the exploitation of those who, for one reason or another, go to so-called professional counsellors where a fee is charged and invariably the advice is that the particular surgical procedure be performed in a jurisdiction outside of either Ontario, or indeed, in this bill, outside of Canada.

Regardless of feelings about the efficacy of abortion, it is a social problem in our time. When I was first in this House, Mr. Speaker, I suggested at that time, back in 1972, that we were not going to abolish abortion by legislation, that abortion has always been with us, that indeed the only reasonable suggestion was to provide the individual who was considering this procedure with all of the alternatives.

At that time, Mr. Speaker, I suggested the deck was virtually stacked against the particular woman who found herself in a quandary as to whether or not to give birth to the child; and that applied for any of the reasons that she felt that giving birth to the child was unacceptable, either socially or morally, and opted for the alternative of giving birth to the child.

[5:00]

Mr. Speaker, the counselling services in this province haven't really improved since that time for any woman who today is seriously considering an abortion. It's extremely difficult for her to find alternatives that are as practical as going through with the abortion. I would certainly say, Mr. Speaker, in some fairness, that some of the responsibility for that must fall upon government, whether it be the federal government or this provincial government.

I think that, realistically, all of us know the alternatives just certainly aren't there; and as such we have a social problem. In terms of that social problem, the federal government does have jurisdiction at the moment over the actual procedure, but it apparently changes its policies with different federal ministers of justice. It now has a third force, which is the federal Law Reform Commission, making other suggestions.

I do not wish to dwell on that. I want to come back to the question of the professional abortion referral agency, which is either charging a fee or sending people outside of the jurisdiction of Canadian law or of the appropriate provincial health authorities. Bearing in mind the social overtones to the problem, I can think of no one more vulnerable in our society.

Perhaps it's an artificial vulnerability, but it's been created by all of us. Because there is an enormous stigma attached to the female who is having the so-called unwanted child, either by virtue of the fact that she is not in wedlock with the father, or the fact that society frowns today upon large families—there are the economic considerations in this latter instance. Indeed there may be health considerations as well. Whatever the circumstance, she is extremely vulnerable to the criticism of society.

As a matter of record, Mr. Speaker, I think she is probably the most vulnerable person in our entire society, considering the whims and caprices of those who, but for the grace of God or good luck, could be exactly in the same position.

Therefore, I find it appalling that anybody can today set up an abortion referral agency with only the price of the business licence involved. There has been abundant disclosures in the press about the practice of fee-splitting with physicians in the United States. There have been rather abundant disclosures of the type of advice given by some of these people. Obviously, their type of advice has to be highly suspect, when indeed a portion or a substantial amount of the profit is derived if the surgical procedure is done in another jurisdiction.

I'm also somewhat dismayed that despite these revelations, that despite pleas from a particularly articulate and a particularly intelligent group of women who compose the task force on women for the mayor of Toronto, the civic authorities throw up their hands and imply there appears to be no way to control this type of agent.

Well I suggest that perhaps the onus is on the Legislature to at least provide economic protection. I think that when, for the price of \$10 for an advertisement in a newspaper, someone can become a counsellor; can in some cases enter into a conspiracy or what amounts to a conspiracy to defeat the laws of Canada by transporting someone to another jurisdiction and assuming no responsibility when the person comes back; in this situation surely the time has come for economic control. If the Ministry of Health—I read this with some dismay—feels the situation cannot be controlled because it legitimizes it, and if the boards of health of the local municipalities feel they are not in a position to attempt to control this, surely it becomes a matter of economic control.

It has been documented in the press that people are referred to physicians in New York State but the fee the physician re-

ceives does not add up to the fee the person here was supposed to provide, many times a great portion of it in advance. There have been complaints from some of the large abortion operations in New York State that people here have been misled; they thought half of their fee had already been paid. It hadn't. It went to the person who picked up a telephone, who arranged transportation for them, who booked them in.

In short, we have a combination of a business enterprise which deliberately goes out of its way to exploit females, by virtue somehow of becoming a travel agency, by booking them transportation, sometimes by air more often by bus. Someone takes a fee for telling them where there is an institution in New York State or in Michigan; it is someone who takes no responsibility for the calibre of the institution or of the particular physician who is supposed to perform this surgical procedure.

I would suggest that we would have no right interfering in this type of operation if there were no facilities and procedures available under Canadian law. Whatever our personal opinion is about those procedures, nonetheless they are the law of the land. They are administered in this province fairly and justly. Indeed, if they were administered on the same level in the United States, there are procedures whereby OHIP would pay at least the Ontario rate for the abortion.

However, I suggest we are in a situation in which women are being told they cannot obtain that type of surgical procedure in Ontario—which is a lie—by people who are ostensibly in business. Women are being deliberately exploited for profit-making purposes by those who would rather make a profit than accept their social responsibility.

The whole area is surely an important social concern and indeed a moral concern. I concede that it's an individual moral concern, and that individual concern probably is more pressing than any collective or any communal moral concern.

When someone is faced with that quandary, in a society as controlled as this one; in a society in which we have accepted collective responsibility for the vulnerable to protect them against those who would exploit them, I fail to see why there has been such a delay in accepting responsibility for the abortion referral agencies.

I suppose, and I have some thoughts on this, one of the answers might be to ban them. I don't think that would be very

practical at all because then it would be an under-the-table type of arrangement. It would be an arrangement which was being forced upon those who were the least educated, the least sophisticated, the least cosmopolitan in our society. There are provisions in community-funded organizations, in provincially-funded organizations and in federally-funded organizations, where people can go to seek information or counselling.

Mr. Speaker, I am sure you are aware, that in the Province of Quebec right now abortion referral centres are the latest target of organized crime. You have in the Province of Quebec what is known now as "la petite guerre." You have had shootings arising out of just who is going to run these centres and to where they are going to be referred in New York State. I am not suggesting that is the case in Ontario, but there have been links in Ontario in the past between those who are operating referral agencies and a particular physician who is now incarcerated in New York State. There have been extremely close links to organized crime in New York State. Remarkably, since that physician has been incarcerated, the particular people who were doing the referrals to him and to him alone in Buffalo have ceased to advertise. Nonetheless, they are still doing an extremely good business.

In terms of exploitation, this type of service is one that exploits, for a fee, the weak, the helpless and the uneducated. Read the articles that have been prepared by females in the *Globe and Mail*. I use the word females because they have gone in under the guise of being in a particular situation where they wanted some counselling or some advice about an abortion. There is no question but that the particular type of clientele who frequent these establishments are the people newest to Canada; as I've said before the least educated, the most vulnerable, and frankly the most desperate.

In terms of straight economic regulation, and I don't like to put it on this level—not for qualms about the particular issue because I think everybody has known for some years, my concern with this particular social problem—except that these agencies in themselves are not concerned with the social problem. These agencies in themselves, in all fairness, are taking advantage of people to make money. It has always been my practice, when people were taking advantage of others to make money, to find ways to control them by removing as much of the profit that attracts them, as possible. Then we see what their

moral standards are, because if the easy money is out of it I wonder how many will stay around to give the advice and counsel they all claim to give.

In terms of the registration, it is quite simple. One of the things is bonding. After all, if they are supposed to be making accommodation for you, if they are supposed to be booking you into a legal establishment, then surely there has to be some check of the person's business record, of the person's credibility; and indeed some deterrent to prevent them from taking a shortcut. I think that bonding, as it has done in so many other industries, will more than meet that need.

The reason I have suggested putting money into trust, particularly where there is a fee-splitting arrangement involved, is that I question the taxpayers of Ontario, through OHIP, should have to pick up the pieces if the woman is referred either to an incompetent or indeed an unlicensed practitioner. When that woman returns here, we have no alternative except to apply the necessary remedial surgery, the necessary hospital care, the necessary rehabilitation, and indeed a great many other things.

[5:15]

After all, if the person could, in the first instance—except by virtue of their particular predicament or the very many other factors that I have mentioned—have made a clear choice in Ontario and been provided with access to that free choice, whether it was to abort or whether it was to give birth, why should we allow that person to be victimized, the money to go down there and then, if anything happens, we have to pick up the pieces?

I can tell you, Mr. Speaker, there is no one referring abortions to the United States who is prepared to pick up the medical cost if anything goes wrong. Certainly in the United States, because they have a very backward system of medical care compared to ours, there is no reasonable way that the woman can get the necessary treatment there because she can't afford it. In short, she is brought back to Ontario as quickly as possible, because if anything is the matter we have the health care system well within the economic means of everyone, through OHIP, whereby something can be done.

I think that if any persons are going to refer people outside this province because they believe New York State is better, then those persons have a responsibility to this province and to the remainder of the community if something goes wrong. I want to

say again that perhaps the answer is the fee should be banned. There is indeed to me a very moral question as to whether people should be allowed to charge—and I am not talking about the physician, I am talking about the very moral thing in society.

Should advice on health care by a layman or a non-practitioner on a referral basis be a matter for funds changing hands? Surely, if this is the type of thing, then it seems to me redundant that we would have such things as the United Appeal; we would have such things as municipal, provincial and federal funding of social agencies. Surely if an Ontario hospital cannot advertise its medical service, why, under the guise of working through an abortion referral, should an institution in New York State or Michigan or Massachusetts be allowed that right? I think these are very serious questions and they may lead indeed to the banning. I have stopped short of that. I regard this, in many cases, as an extremely sleazy business, one in which the vulnerable, as I have said so many times today, are separated from their money and what virtually amounts to false pretences. In some cases, there is a remarkably close line between some of these operations and what we knew in an earlier era as virtual white slavery. Again, there is the vulnerability, the economic costs to be considered, and the person's own physical and mental state is something that is held in abeyance.

In conclusion, I have presented this bill partially because of my dismay that municipal people don't seem to be able to come up with an answer, and partially because our own Ministry of Health does not seem to be able to come up with an answer. With all due respect to the present minister, who is incapacitated, I don't think that moving in and controlling this field will legitimize or cast aspersions or do anything to physicians beyond our jurisdiction. If it did, I would be the first to agree with it. In this area, I do not think it does.

I suggest to you, Mr. Speaker, that to ignore the problem, to say it is complicated, to say there are a great many complexities because of other jurisdictions, because of certain uncertainties in our own social sphere, because of changes that may or may not come, surely this is begging the question by a Legislature that is specifically charged with the obligation to protect the weak, the helpless and the vulnerable, and to say it is difficult to protect them—if that was the attitude we wouldn't have a Legislature today. It would have had a demise more than 100

years ago. It has always been difficult. I suggest this bill isn't the final answer, but I think it certainly does establish the areas in which we can control this industry and we can end the exploitation of people who would really cry out to us, if they could, for an end to the exploitation.

Ms. Sandeman: Mr. Speaker, we cannot support this bill because, in spite of the member's brave words, it is totally inadequate for the purpose which he says it's intended; that is, the protection of women who, at a difficult time in their lives, may be exploited. But more than that, we can't support this bill because it appears to give credence—it not only appears to, I think, but it does give credence—to the practice of referring women out of this country for surgical procedures, for abortions. We surely should not condone continuation of a practice which seems to say that we cannot provide health care for our own women in our own province.

Further, we cannot support this bill because it sets absolutely no standards for abortion referral services, and it isolates abortion from the whole field of contraceptive counselling, which I believe it must be closely tied in with.

There is an interesting statistical backup, I think, to what the member was saying. There are indeed many abortions performed outside Canada. The interesting thing is that the majority of those are not referred by abortion referral agencies, but are referred directly by GPs to contacts they have among the medical profession in the United States. Which speaks again, I think, to the absolute necessity of making sure that our health care system can provide the services which Canadian doctors themselves feel to be necessary and apparently are not provided here—or they would not themselves find it necessary to send their patients to doctors in other countries. Licensing those abortion referral agencies which send patients out of Canada doesn't help the very fundamental problem that services are not apparently available in this country.

There is no doubt that, at the moment, Canadian abortion referral service centres are providing services. I believe there are centres which are providing legitimate and excellent service and for whom the protection of licensing might not be a bad idea.

Some interesting figures were provided for me by one such abortion referral centre of the clients that they saw during the calendar year from November, 1974, to November, 1975. They saw a total of 1,702 clients dur-

ing that period, of whom 362 women were sent to them by doctors. These were not women who answered an advertisement in a newspaper or heard by word of mouth from friends that this referral service was available. These women, who came through a physician, were 21 per cent of the total. Another 131 women came directly from hospitals in Metro Toronto—that's about seven per cent of the total—and another 1½ per cent, or 27 women, came from other agencies. In other words, 30 per cent of the women who came to an abortion referral centre came from doctors, from physicians and from hospitals.

In Sudbury, in 1974, the Association for Contraceptive Counselling and Related Areas counselled a total of 242 women who were seeking abortions; and, of those, 110 were referred by physicians. Again, sadly, 162 of that total had to be referred to New York State for the operation, because there was no availability of services in their home area.

If such a service is required, as it seems to be, since doctors and hospitals are using it so freely and so frequently—and I might say in passing that our own Minister of Labour (B. Stephenson) supports and uses legitimate abortion referral service centres—then, as I say, the fact that both physicians and individuals use them with such frequency seems to prove the necessity is there.

Surely what we require is not a piece of legislation which addresses itself so narrowly to the problem, but some real effort to ensure that abortion counselling is integrated into the provision of contraceptive counselling and services for both men and women in contraceptive counselling, as outlined in the Minister of Health's (Mr. F. S. Miller) preamble to the health promotion branch paper, I think it was in January, 1975, should be followed.

The Ministry of Health itself sets out as its general objective for the family planning programme "The development of comprehensive and accessible family planning and conception control services with informational, promotional and service components." This overall provision of services was reiterated by the minister in a letter dated Feb. 11, 1976. He was writing at the time about the provision of therapeutic abortions in Toronto hospitals and he said, "As our family planning programme develops, we hope to see the improvement in co-ordination and streamlining of patient referral and the accessibility of good, thorough contraceptive counselling."

The problem at the moment is that we do not have co-ordination and streamlining

of patient referral in this province. We do not have accessibility of good, thorough contraceptive counselling for all the men and women of this province and at present the ministry's family planning programme obviously doesn't meet all the needs for referral and counselling. If it did meet all the needs for referral, we would not have the enormous number of physicians and hospitals that we do have referring women to abortion referral centres. If we had excellent counselling, we wouldn't have the number of repeat abortions that we see.

The bill before us seems to recognize that there is a need for improvement but it doesn't attempt in any way at all to set standards for those agencies which are legitimately attempting to fill the gaps in the ministry's programme. These standards must surely be considered as part of a licensing procedure. It's not enough, as the member has done, to look upon this as a commercial transaction.

Because this bill does nothing at all to set standards; because it doesn't base the issuing or withholding of licences on clearly articulated standards but solely on the geographical area where women are sent to, we feel we have to oppose this bill.

Mr. Sweeney: Mr. Speaker, listening to the comments of the mover of this bill, the member for Scarborough Centre (Mr. Drea), I have to conclude, first of all, that the bill doesn't do anything, any of the things, that the member said it was intended to do. That's one of the reasons I very strongly oppose it.

Secondly, the member said that the whole philosophical basis, whether one agrees or doesn't agree with abortion, is not an issue here but I suggest it is an issue here. Because one of the things this bill will do, whether we intend it or not, is expand the whole opportunity for abortion procedures.

The member spoke of the vulnerability of women and how it was the obligation of this Legislature, how it was the obligation of the government, to protect women who are vulnerable. I agree with him. This bill will not do that. If anything, it will make them more vulnerable. It will exploit them even more.

What about the vulnerability of the child? He never mentioned that. That's the philosophical basis that's here. It's here whether we want it to be or not. Let's stick to the bill.

Mr. Drea: Let's. Be careful what you say about me.

[5:30]

Mr. Sweeney: First of all, this bill, by its very nature, would circumvent the existing law of Canada which this government in its jurisdiction certainly has an obligation to uphold. The existing law of our country says very clearly that abortion is prohibited except when the life or the health of the mother is in jeopardy and when a medical decision is made by a hospital committee. The law of Canada also says there shall be no advertising. Yet by this bill, and I quote from it: "referrer" means anyone . . ."

Anyone at all, the corner grocer, the taxi driver, anyone.

Under section 4: "An applicant is entitled to registration . . ."

In other words, anyone who applies automatically gets it. There are a couple of exceptions, granted, but anyone gets it. What we are saying is, this anyone in fact takes the place of a hospital committee. Let's not kid ourselves, a "referrer" by the very definition of that term is making a medical decision, by the very act of referring it especially outside of this country. The decision has been made that an abortion will be procured.

Mr. Drea: Did you read the Sun?

Mr. Sweeney: That's circumventing the law of this country. Section 13 of the bill says that where the registrar has grounds to believe that there is false or misleading advertising it may be done away with. But it doesn't say that there shall not be advertising. By the very nature of that statement, there shall be advertising. We are circumventing the law of this country that way.

We talk about protecting women who are vulnerable, but what are we really doing with the women? We are putting them into the position where they are getting medical advice from non-medical people. That certainly doesn't protect them. We are putting them in the hands of potential incompetents. That certainly doesn't protect them. All that is possible through this bill. We are putting them in the hands of people who will counsel them, people who are considering making a profit on it at the very time when they are most emotionally vulnerable. That's certainly not helping them.

The member's own words were: "This is a sleazy, dirty business." I agree with him; it is. Do we legalize, do we legitimize a sleazy, dirty business? That's what this bill will do.

It is almost like saying that sometimes robbing a bank is a dirty, bloody business. What follows? Do we legalize it?

The member himself referred to New York State. Is the member aware of the fact that referral agencies, which were permissible in New York State, have been abolished by state law? I'll just give a couple of reasons: "To outlaw commercial abortion referral services" and "to prevent later blackmail of women who had undergone abortions."

These are the arguments given in New York State to deal with those "engaged in activities which, in the final analysis, require judicial condemnation." This law, which sought to emancipate women, did not intend to deliver them as helpless victims of commercial operators for the exploitation of their misery. That's what happened in New York State when such a law was permitted.

These agencies are referred to as: "A broker in the sale of medical and hospital abortion services in violation of the public policy of the state." These abortion agencies have, in fact, been rendering medical advice. These agencies were carrying on activities which, if carried on by a legal medical doctor, would be illegal. These are the kinds of things this member would have us support with this bill.

I would concur with something the member said earlier. We shouldn't be legalizing or legitimizing. We should be banning. We have in place in this country, in this province—and I don't approve of it but we have it and I recognize the law and I will support the law as it exists—opportunities for women to procure an abortion if that's what should be done. They are there, but for God's sake nothing like this. We will do more harm to our society, to our laws, to the very women we are trying to protect by bringing in a piece of legislation like this.

I will apologize if I am wrong, but I believe there's more to this bill than just a private member's bill. I believe that strongly, that there is something else behind this bill; whether it's the intent of the government or pressure from outside, I don't know.

Mr. Williams: The private member's bill before us today for debate received first reading on March 31. On that same date, I was speaking in the House in response to the Throne Speech. The common thread that runs between these two seemingly unrelated matters can be found in my comments at that time, pertaining to the need to preserve the values that constitute our quality of life in Ontario.

I expressed the view that a desire for change in social attitudes or conditions need not necessarily be equated with a demand for change in basic values. On the other hand, we must be aware of, and respond to, conscious or unconscious effort in some quarters to insidiously distort basic values rather than to openly demand change of values.

I suggested that we, as legislators, tend sometimes to respond too quickly to pressure groups or to "public trends" that we erroneously read into extensive news coverage on a given topic. As a result, we might find ourselves enacting compromising legislation that can emasculate existing laws governing social order and behaviour. I respectfully suggest that this proposed piece of legislation is a good case in point.

It would appear that this bill undoubtedly has been introduced with the best of intentions, possibly in response to the considerable amount of media coverage that has been given to this subject by the Toronto press. This type of legislation might well appeal to that breed of person such as one finds among the reform element which controls and dictates the local politics in the inner core of the city of Toronto.

Mr. Drea: That is libellous, absolutely libellous.

Mr. Williams: However, passage of such a bill would be an affront not only to the vast majority of the people of Ontario who respect and abide by existing laws governing abortion in this country and province, but it would as well offend those very laws. Such a law, in fact, would place in disrepute the present laws that find the principle of abortion on demand to be unacceptable, but which recognize the right of a woman to have a therapeutic abortion for health rather than social or economic reasons.

The matter of therapeutic abortions is itself a matter of debate. As we know, the federal law governing abortion was amended in 1969, whereby a therapeutic abortion would be permitted under four specific conditions; namely:

1. The pregnancy constituted a threat or would be likely to threaten the life or health of the mother.
2. That a presentation of such evidence was approved by a majority vote of a committee of three doctors in an approved hospital.
3. That the procedure was performed by a qualified medical practitioner in an approved hospital.

4. That pertinent records of such cases be kept and reported to the Minister of Health as required.

Unfortunately, no precise definition has been given to interpret what is legally meant by a "threat to health." The practical result has been that a very liberal interpretation has been given to the term to include the simple, emotional stress experienced by a woman with an unplanned pregnancy. The therapeutic abortion committees of many hospitals in Ontario apply this interpretation so generally as to allow, in fact, abortion on demand. They are paying lip service in too many cases to the responsibility of counselling and discussing with the patient the consequences of an abortion medically and socially. I personally disagree with the shocking laxity in this area.

Anyone who argues to the contrary cannot say that women do not have reasonable access to abortion services in the province under the law of this country. For example, in 1970 there were approximately 11,000 therapeutic abortions performed in Canada, representing three per cent of live births. In 1971, there were 16,000 therapeutic abortions in Ontario, representing 12 per cent of live births. The number is not decreasing. There were 96 abortions performed at Toronto General Hospital in 1969. In 1972, there were approximately 2,500 therapeutic abortions carried out in Toronto General Hospital.

While I personally disagree with the extent to which abortions have been allowed under this amended legislation, at least the patient does have to seek the counsel and approval of a therapeutic abortion committee, comprising three medical doctors in an approved hospital, and the operation must be performed by a qualified medical practitioner in an approved Ontario hospital. These controls and supervision are not assured to a woman sent to a foreign country for an abortion. The argument for more careful assessment and counselling of patients by therapeutic abortion committees in hospitals will have to be the subject matter of a debate in this forum on another occasion.

The announced intention of the bill before us today is to require the registration and bonding of individuals outside Canada for an abortion and to require a post-operative medical examination by the medical officer of health of the woman who has undergone the abortion.

How perverse; how humiliating; how demeaning. It is perverse in the sense of

clothing with legal respectability a person or persons who would be party to arranging for an illegal act by Canadian law to be carried out in a foreign jurisdiction where the laws accept the principle of the right to abortion as one of convenience rather than of necessity.

It is humiliating in the sense that such a provincial law would be, in fact, flouting the present abortion laws in Canada by giving a mantle of social acceptability and respectability to a clandestine form of business undertaking set up for the express and sole purpose of counselling people on how to circumvent the guidelines and controls that exist in Canada for allowing a legal abortion.

It is demeaning, not only to the woman who has undergone the abortion by requiring on her return to Canada that she be subject to medical examination by the public health officials, but also demeaning in the sense of the flagrant disrespect such a law would show by, in effect, discrediting the present practices and procedures for obtaining a therapeutic abortion in this country.

The establishment of an abortion referral agency in other jurisdictions has led to disillusionment as to their value, and in some jurisdictions to their outright ban.

[5:45]

New York State is a case in point. As was pointed out by the hon. member for Kitchener-Wilmot (Mr. Sweeney), New York State was obliged in 1971 to ban abortion referral services, as it became apparent to the New York legislators that abortion referral services were a multi-million-dollar business which was exploiting the misery of women for commercial purposes.

During the legislators' inquiry in that jurisdiction, it was revealed that there were instances of fee-splitting; some doctors were getting fees at both ends by doing the abortion and cashing in on the profits from the referral services. There was also massive evidence that flagrant advertising techniques were used, medical advice was given over the telephone, and women who resorted to this abortion referral service were being open to subsequent blackmail.

Legislators found that the abortion referral service was such a good business, and that so many services sprang up, that it was not possible to provide the requisite surveillance of such groups, with the result all of them were subsequently banned under New York law.

Mr. Speaker: The member has about 30 seconds.

Mr. Williams: It appears that I do not stand alone on this issue. Not only do members from the opposition parties voice their concerns on this fundamentally important issue, I note that the acting Minister of Health (B. Stephenson) has expressed similar views in the past when she was president of the Canadian Medical Association. In July, 1974, Dr. Bette Stephenson called for a ban on all profit-making abortion referral agencies. I agree. However, the basic principle involved goes beyond the question of whether the referral agency is profit-making or otherwise. The profit motive is not the essential consideration.

Mr. Speaker: Thank you. The hon. member's time has expired.

Mr. Deans: Mr. Speaker, I have very few comments that I want to make. I suppose the member for Scarborough Centre (Mr. Drea) feels a little isolated, as he should. The legislation is drafted in such a way that I can't help recalling the bill that he introduced with regard to travel agencies and noting the similarities in the two bills. Not only are there similarities, in some cases there are straight lifts from one bill into the other. It surprises me; I never thought I would see the day in this Legislature where we would view abortion in isolation and as a commercial venture.

This isn't a debate on the merits of abortion, because there is no place in the Ontario Legislature for such a debate. The matter is dealt with under the Criminal Code of Canada, and the debate that must take place must of necessity take place there. But I would have hoped, if we were ever going to discuss family planning, contraception or any of the matters related to the kind of counselling that people need in the Province of Ontario, that we might do so within the context of the Ministry of Health and not within the context of the Ministry of Consumer and Commercial Relations.

A fee—why would the member want to establish a profit-making operation that would be in the business of referring people for abortions? Why would he want to do that? I can't understand why he would want to establish that kind of an operation in Ontario for that purpose, to legitimize it in that way and then to make the reward based on the numbers of people you were able to refer for abortion. Why would he not address himself to the much more important issues of counselling, of care, of concern, rather than this whole matter of abortion?

Let me read the bill. The bill, as one would expect it to be from this member, is simply a bill that deals with the registration of a company, the registration of a business. You know, the bill provides for the registration of individuals charging a fee for referring individuals out of Canada for abortion. Why would the member do that? Why would he not simply set it up to register everyone who refers anyone, in or out of the country? If he considers it necessary to do so, why would he isolate it? The bonding of abortion referrers—for what possible purpose? Is this going to apply equally to physicians as it does to others in the marketplace so to speak? Is that what he has in mind? Then there's the setting aside of abortion referral fees in a trust account pending the results of a post-operative medical examination by the local medical officer of health of the woman who has undergone the abortion.

If we read this bill very carefully, it reminds us of the school trip on the plane—that's what he's really talking about. He's not talking of any concern or care about the whole matter. He's not talking at all with any concern or care. He's talking about the setting up of a commercial enterprise to deal with what is ostensibly a matter of health.

Mr. Drea: They are there today and you know it.

Mr. Speaker: Order, please. The hon. member for Wentworth has the floor.

Mr. Drea: Read the Sun every day. They are there.

Mr. Deans: I don't have to read the Sun every day. My motives are not dictated by the press, so I don't have to read the Sun every day to find out the difference between right and wrong. I don't have to read the Sun every day to find out the difference between setting up some commercial endeavour to take advantage of people over and against trying to deal with the legitimate problems that confront them.

Mr. Drea: They are there today and you know it and you won't do a single thing about it.

Mr. Speaker: Order, please. The hon. member for Wentworth has the floor. We have restricted time.

Mr. Wildman: You are in government.

Mr. Deans: If the member were legitimately concerned, as many members are, about this entire matter, this member—

Mr. Drea: You know better than to say that.

Mr. Deans: —this member would then have proposed legislation which would have enabled people to take advantage of the proper kind of counselling services which might inevitably make abortions unnecessary. Which might. That's the kind of approach—

Mr. Drea: I have done that. Where were you?

Mr. Deans: —that ought to be taken. I frankly condemn this as a bit of hypocrisy and it is the usual government approach from that side.

Mr. Riddell: Mr. Speaker, I think I could talk on this matter of abortions for most of an afternoon, but I see I'm limited to about seven minutes. I do find it most distressing and appalling that this House should have to waste an hour of its time dealing with a bill which is attempting to legitimize the whole process of abortions. Surely in the month of April, when we are reminded in so many ways of a supernatural presence and the beautiful time of rebirth and joy, we should be looking for ways of protecting Ontario's unborn children rather than looking for ways of doing away with their very existence.

It is as inevitable as the sunrise that man should see the substance of faith and hope in the tangible world so obviously responding to forces beyond himself or his accumulated knowledge. Foetal development in itself is a force beyond man's control and comprehension, and what right has man to deny the presence of new life in this world?

I don't know whether the member for Scarborough Centre—

Mr. Drea: Be careful.

Mr. Riddell: —reads much of Pearl Buck's writings, but I would just like to take a quotation from this Nobel Prize-winning author. It says:

Since the foetus is a creature already alive in the process of development, to kill is to choose death over life. At what point shall we allow this choice?

Mr. Drea: Mr. Speaker, on a point of privilege.

Mr. Speaker: Order, please. The point of privilege?

Mr. Drea: Mr. Speaker, my personal views toward abortion are extremely well known

in this House and I very deeply resent the implications that I am in favour of abortion.

Mr. Speaker: The hon. member for Huron-Middlesex.

Mr. Riddell: I fail to see the point of personal privilege, but I'll continue on here with the quotation:

At no point, either as life begins or as life ends, for we who are human beings cannot for our own safety be allowed to choose death, life being all we know. Beyond life lie only faith and surmise, but not knowledge. Where there is no knowledge except for life, decisions for death are not safe for the human race. I would not add the weight of choice to kill rather than to let live. A retarded child, a handicapped person, brings his own gift to life even to the life of normal human beings.

It was mentioned that there were something like 2,000 abortions carried out in Toronto. I happen to have some figures here which indicate that last year there were 7,230 abortions carried out in five Toronto hospitals. It estimates the annual cost to the province of abortions in the city at close to \$2 million but there are no records of whether the women who had abortions lived in the city. I think this abortion rate is truly alarming.

I also read an article in the Toronto Star dated July 2, 1974, which states, "Commercial abortion referral services should be banned in Canada, Dr. Bette Stephenson, president of the Canadian Medical Association, said yesterday." The minister said abortion counselling should be provided through voluntary service agencies. She said she would rather see abortion referral services entirely banned than licensed. However, she said licensing would be the next best answer if we find the established voluntary agencies cannot do the job. But who says they are not doing the job?

I also have a letter here which indicates that abortions done outside the province are paid for. I want to bring that to her attention.

Finally, I want to indicate that New York State was obliged, in 1971, to ban abortion referral services as it became apparent to the New York legislature that abortion referral services were a multi-million-dollar business exploiting the misery of women for commercial purposes. During the legislature's inquiry it was revealed that there were instances of fee-splitting. Some doctors were getting fees at both ends by doing the abortion and cashing in on the profits from the referral services.

There was also massive evidence of flagrant advertising techniques used, medical advice being given over the telephone and women who had resorted to these services being blackmailed. The legislature found the abortion referral service was such a good business and so many had sprung up that it was not possible to provide the requisite surveillance of such groups with the result that all of them were subsequently banned under the New York law.

What are we wanting to do here? Legalize it. I want to close simply by saying here in Ontario let's show some leadership in solving this problem in a positive way, both for the mother and for the child. Surely, abortion isn't the best we have to offer.

Mr. Speaker: Does any other member wish to speak for two minutes?

All right; this order of business is discharged from the order paper.

Hon. Mr. Meen: Mr. Speaker, before moving the adjournment of the House, I would advise hon. members that tomorrow afternoon—and not necessarily in this order—we will expect to hear the contribution from the official opposition to the budget debate, item 1; we will then proceed with completion of second readings on Bills 51 and 47; go on and do Bill 48, the amendments to the Tobacco Tax Act, and then legislation as it appears on the order paper.

Hon. Mr. Meen moved the adjournment of the House.

Motion agreed to.

The House adjourned at 6 p.m.

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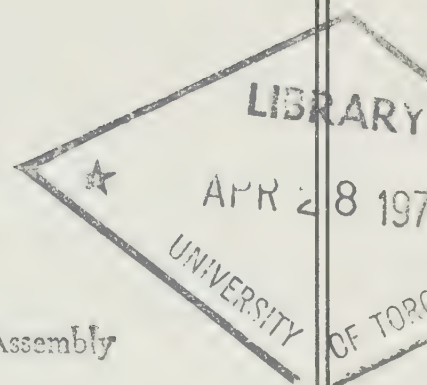
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No. 33



Legislative Assembly



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, April 13, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 13, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

REALLOCATION OF JUVENILE INSTITUTION RESOURCES

Hon. J. R. Smith: In recent years the ministry has increased its emphasis on the use of community-based programmes. In the juvenile field the ministry has concentrated on the development of group home settings, both to complement and to serve as alternatives to the programmes in institutional settings.

The group home programme was started in 1972 and there are now over 40 of these small, usually eight-bed, home-like settings located throughout the province. In the same period of time two training schools for juveniles have been closed; Elmcrest in Toronto and Glendale School in Simcoe. In addition, due to the expanded use of probation and other alternative dispositions, there has been a reduction in the number of juveniles assigned by the courts to the training schools operated by the ministry.

The shift away from high utilization of institutional programmes has resulted in unused bed space in the training schools. The present capacity of juvenile institutions is 1,300 and present indications are that a capacity of 1,100 would meet any foreseeable peak requirement under existing legislation.

Because of these encouraging developments, I wish today to outline further plans to reallocate and reduce the use of some of the ministry's juvenile institution resources in keeping with present and future programme needs.

In moving toward community-based programmes it is the ministry's intention to phase out three facilities for juveniles, to reduce the use of a fourth and to partially privatize another. One of the units to be phased out will be converted to accommodate adult offenders.

Most of the changes I am announcing will be phased in over the next three to six months although one small facility has already been closed and the operations of another

have already been curtailed for some time. Each staff member affected by these changes will be offered alternative employment within the ministry.

Two of the facilities to be phased out are Coldsprings Camp near Bowmanville and the Portage Lake DARE Camp near Britt.

The third facility to be phased out—Churchill House, a maximum security unit for juveniles at Cambridge—will be converted to accommodate adult offenders.

The fourth facility—the 105-bed Grandview School at Cambridge, located on the same property as Churchill House—will be modified to serve eventually as an adult training centre for men.

A fifth facility—the Project DARE Camp at Loxton Lake near South River—will be partially privatized.

The specific details of each move are as follows:

Operations of the Project DARE Camp at Portage Lake, which provided an outdoor programme for juveniles, had been gradually reduced in preparation for a possible takeover by private operators. However, our reduced juvenile numbers, plus recent research findings, indicate that the ministry no longer requires its use either directly or on a lease and purchase of service basis. The few members of the ministry staff involved at the camp have been offered alternative employment in the ministry.

In addition, it is our intention to revise the programme at the Project DARE camp at Loxton Lake in order to use that facility to its full potential. One change in the operation will be to employ Outward Bound Venture staff on contract for all outdoor camping activities. At present, our staff is primarily composed of full-time civil servants whose terms of employment relate poorly to the needs of a camp where routine shift work does not correspond to the programme demands. Fifteen staff members at the camp will be transferred to vacancies elsewhere in the ministry as contract employees are recruited for Outward Bound Venture activities.

Coldsprings Camp has not been operated on a full-time basis for some time. It may serve in future as an occasional day camp

and this usage is currently being explored by boards of education in the area.

Churchill House, at Cambridge, is a maximum security unit which has been used as a treatment facility for juvenile girls. This relatively new structure will be used as a backup detention centre to accommodate adult offenders and thus help reduce overcrowding in jails serving the city of Kitchener and Guelph areas. A portion of the reception and assessment centre at Oakville will be renovated to provide secure facilities for juvenile girls who are presently housed at Churchill House.

Grandview School, also at Cambridge, accommodates juvenile girls. As the programme at that school winds down over the next few months, girls who would have been admitted to Grandview in the past will enter co-educational programmes at other training schools which are already co-educational or in the process of becoming so. Grandview School will then be upgraded and altered by an inmate working group for eventual full use as an adult training centre for young men.

This reallocation and reduction of ministry resources, which I have outlined, will provide for more economic use of existing facilities without reducing the overall quality of services provided. These changes in our available facilities bring our juvenile division in line with current requirements and research findings but still allow a safety margin should some increase occur in institutional placements.

Mr. Bullbrook: Is there really a verb to privatize?

H.O.M.E. PROGRAMME

Hon. Mr. Rhodes: Mr. Speaker, I would like to take this opportunity to announce two changes affecting Ontario Housing Corp.'s Home Ownership Made Easy plan.

You may recall that last year a special programme committee examined ways and means of restraining the costs of government. One area scrutinized was the apparent duplication of identical or similar services at more than one level of government. The report of the special programme review, published last November, cited "considerable overlap in federal-provincial housing programmes." The steps I am announcing concern mortgage insurance guarantees and construction inspections.

Ontario Mortgage Corp. has applied for and been designated as an approved lender

under the provisions of the National Housing Act, similar to chartered banks, trust companies and insurance companies which are also in the mortgage business. As such, its mortgage loans will be insured through Central Mortgage and Housing Corp. Any mortgage loan foreclosures will be covered by the National Housing Act insurance fund and the province will be relieved of any contingent liability.

As the insurer of OMC loans, CMHC will assume the responsibility for building inspections during the construction period. Municipal inspectors also have a responsibility for ensuring construction complies with the Ontario Uniform Building Code.

These changes are scheduled to affect all HOME projects approved on or after April 1. OMC intends to insure all its loans, including those for the accelerated rental housing programme and preferred lending programme, under the National Housing Act. It is also expected that the proposed provincial warranty programme will enhance purchaser satisfaction.

OHC's HOME inspection staff will complete inspections on projects that are underway at present. When those are completed, every effort will be made to place these employees in other areas of the ministry; for example in the care and maintenance of OHC's expanding senior citizen portfolio, where their skills can be readily utilized.

I would like to take this opportunity, Mr. Speaker, to inform the hon. members that at 3 o'clock this afternoon I will be tabling two reports prepared for my ministry.

The first report is on urban development standards, which explores the means by which the development costs of new housing in subdivisions could be lowered by reviewing existing standards in the province. The report examines the possibilities of either reducing these standards where it is felt they are gold-plated or excessive, or by substituting innovative techniques which would result in cost reductions.

Four sets of standards were devised. Typical or conventional figures that reflect current practice in the province were developed for metropolitan areas and for the rest of Ontario. These were then compared with the proposed new standards for these areas. The study indicated that savings in the order of \$6,000 to \$8,000 a lot were possible, depending upon the land cost and location. These significant land savings were achieved by using standards and design techniques which are realistic in terms of the present state of subdivision design and development in the

province. The study examined single family housing types—detached, semi-detached and street front row housing.

The recent urban development institute report, entitled "Lowering the Cost of New Housing," indicated ways by which the development industry believed it could lower housing costs. Essentially, that report sought to do so by rather drastically altering current municipal development standards and significantly raising densities by utilizing various forms of low-rise multiple family housing.

While containing some interesting proposals, the implementation of those recommendations depends upon municipalities largely abandoning conventional forms of subdivision development. Our study, on the other hand, has recommended a comprehensive set of criteria which attempts to maintain traditional concepts of single family home ownership, utilizing reduced or modified standards.

I will also be tabling the report of the Ontario task force on leasehold condominiums. This report concluded that the disadvantages of this system outweighed the advantages as far as its application in Ontario is concerned. The authors state the introduction of this system would require major legislative amendments and that leasehold condominiums would not be attractive to mortgage lenders. It recommended that Ontario not move in this direction until a need for this type of housing is demonstrated.

This latter report is a discussion or green paper designed to encourage industry, governments and professional groups to examine the matter and make their views known.

Mr. Singer: Are these reports government policy?

Mr. Speaker: The hon. Chairman of the Management Board.

UNCLASSIFIED EMPLOYEES IN THE PUBLIC SERVICE

Hon. Mr. Auld: Mr. Speaker, this House was officially advised in the Treasurer's (Mr. McKeough) budget address of the government's plans to achieve a further reduction in the public service complement—the authorized staffing level—in 1976-1977. This reduction of an additional 1,000 complement places underlines this government's commitment to reverse the tendency for the bureaucracy to grow each year. Instead, we are placing stress on delivering programmes and services by better utilizing the people who are now on

staff through improvements in efficiency and productivity.

The reductions in complement which have taken place over the past year and which will take place during the current year apply primarily to the classified staff. Thus, the complement constraint has not applied to the bulk of the unclassified staff; or as some members call it, the contract staff. There are very good reasons for this and I will outline them in a moment. I do want to stress that the unclassified service has been a part of the Ontario government's staffing practice for many, many years.

The Public Service Act assigns to the Civil Service Commission the responsibility for control over appointments to the classified service but assigns directly to each minister the responsibility for appointments to the unclassified staff because of the need to have a fast response to the varying manpower requirements in a whole host of decentralized delivery areas. It is natural that ministries will accomplish many of their services and programmes in a more economical manner through the use of seasonal, part-time or project employees.

[2:15]

In past years we have controlled the size of the unclassified service through the allocation of dollars to each programme and activity for salaries and wages. Although this has provided an effective barrier to any significant growth in the unclassified service, it does not provide the same type of control over numbers that is provided through complement. However, as hon. members can appreciate, an authorized staffing level for unclassified staff would be rather meaningless since many employees work only part-time while others work full-time for only a few weeks or a few months out of the whole year.

Despite the validity of the procedures we have followed, the present climate of constraint has caused the government to decide to increase control over the unclassified service by limiting the kinds of appointments which ministries are permitted to make. Management Board has advised all ministers there will be a freeze on a wide range of new appointments and strict limits on the length of reappointments and on hiring of seasonal staff. Before further outlining in brief these control measures, I would like to remind the members of this House of the nature and use of the unclassified service as provided for in the Public Service Act.

The unclassified service was established by the government to provide for types of employment which cannot be adequately ac-

commodated within the civil service. The unclassified service is divided into two groups:

Group 1 consists of those unclassified staff members who are employed for one-time projects of a fixed duration, for example the rent review programme; as professional or special appointments, examples of which are local staff hired for overseas offices of the Ministry of Industry and Tourism; as temporary help, usually on an hourly or daily basis, for example clerical staff replacing civil servants who are on vacation or who are ill; part-time staff working less than 24 hours per week; and students during their summer vacations or under the student co-operative scheme.

Group 2 consists primarily of staff engaged on projects of a seasonal or recurring nature, for example snow-clearing crews, parks attendants and tree planting crews.

In answer to a question asked in the House, I tabled the following information showing the number of unclassified employees on strength as at July 7, 1975 and Nov. 10, 1975. In Group 1 in July there were 19,595. This had shrunk to 9,516 on November 10. In Group 2 in July there were 9,046, which had reduced itself to 4,754 in November.

The reduction in the number of Group 1 employees between July and November is attributable to two factors; the reduction in the number of summer students and to the effects of the constraints imposed on ministries by the supplementary actions announced by the Treasurer last July. The Group 2 figures, which refer to seasonal employees, reflect the seasonal adjustments which occur every year as summer employment ceases.

Hon. members will appreciate that these figures simply represent a snapshot or still photograph on the two dates selected by the member who asked the question and that there is an infinite variety to such snapshots due to local fluctuations in both head offices and field organizations.

There are a number of factors affecting the level of employment in the unclassified service which are unpredictable and to a certain extent uncontrollable. These include, for instance, the needs for forest fire fighting and winter maintenance, both of which are affected by weather conditions.

Mr. Lewis: Or speeches for the Minister of Agriculture and Food (Mr. W. Newman) at \$4,000 a shot. That is also unclassified.

Mr. Speaker: Order, please.

Hon. Mr. Auld: I would like now to return to a brief outline of the additional control

measures which were effected April 1 of this year on unclassified service appointments.

First, with the exception of student employment and temporary staff replacements, there will be no new appointments to Group 1 of the unclassified service without the specific approval of Management Board. Second, renewals of existing Group 1 contracts will be limited to a period of six months. Finally, appointments for seasonal work in Group 2 will be limited to a six-month maximum and will not exceed the level of previous years.

I should point out that the exceptions noted above have been established so that student employment and essential work will not be adversely affected. For example, appointments under the Ontario career action programme and Experience '76 will be exempt from these guidelines. Furthermore, provision has been made in the estimates for maintaining the number of summer students at least to the same level as last year.

I hope hon. members will realize that the measures which I have just announced, in addition to the complement constraints announced by the Treasurer in the budget, will fulfil the government's intention to restrict the total size of provincial manpower requirements for 1976-1977.

TRANSPORTATION COSTS IN NORTHERN ONTARIO

Hon. Mr. Snow: For some time now there has been a growing concern in northern Ontario about the cost of transporting goods both to and from that region of the province. Representatives from action groups, industry and the general public have urged that we take some action to alleviate the disparity they claimed exists in transportation costs between northern Ontario and other regions in Canada.

In the Speech from the Throne in March, 1971, it was announced that a study would be undertaken to determine if this disparity did exist. My ministry was given the responsibility of carrying out a detailed study to determine if there were inequities, if these inequities were detrimental to the competitiveness of northern products and what could be done to balance the picture.

I am happy to report to the House that this comprehensive study has been completed. Copies of the report will be distributed to each of the members for their information. In the meantime, I would like to take just a few minutes to outline the essence of the report.

First of all, it concludes that while an effective transportation system exists in northern Ontario, there are a few serious inequities which result in higher transportation costs in specific cases. Of particular concern is the fact that higher transportation costs affect the final price and competitiveness of goods shipped by northern producers to southern Ontario and other national or international markets.

As a result, most of the recommendations made in this report are aimed at effecting some very important long-term benefits to industry in the north. If accepted and implemented they should result in the expansion and broadening of our industrial base in northern Ontario. As a side effect, these recommendations are also expected to enlarge the consumer market, bringing additional benefits to all northern Ontario residents. On a short-term basis, however, these recommendations will have little impact on the consumer market, where higher transportation costs are reflected in the purchase price of certain goods.

This emphasis on industry rather than on the consumer market is based on the fact that while some items do cost more in northern Ontario, the overall cost of living in the more populated areas is comparable to southern Ontario. While this is the situation in the more populated areas of the north, there is a serious problem in remote areas where the cost of living is considerably higher. Because of this, my ministry has already initiated a special investigation and at a later date we will be making a separate recommendation regarding ways and means of assisting these residents. In the meantime, the recommendations outlined in the study I am tabling today will be implemented as soon as possible.

I would like to point out that implementation will be complicated to some extent by the fact that although some of the recommendations can be effected by the province alone, others will require the co-operation of both industry and the federal government.

We are prepared to take immediate action on those recommendations that are our responsibility. With regard to those recommendations involving the co-operation of the trucking industry and the railway companies, I am prepared to meet with representatives of these industries as soon as possible. Recommendations concerning regulatory practices that adversely affect northern Ontario will have to be dealt with by the federal government. We already have an appropriate agency through which to discuss these changes, the Federal-Provincial Committee on Ontario Transportation. I propose to take these recom-

mendations to this committee at the earliest possible opportunity.

Mr. Reid: Five years, that's not bad.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

H.O.M.E. PROGRAMME

Mr. Lewis: A question, initially, of the Minister of Housing: Now that we finally reached the point, after years of struggling to build up an inspectorate that can handle the often shoddy building practices on HOME lots, of which there have been endless descriptions in the House, why would the minister choose this precise moment in time to dismantle that whole building inspectorate and turn it over to the federal government, which simply doesn't have the numbers to do the job?

Hon. Mr. Rhodes: Mr. Speaker, the hon. member has already indicated there was some question as to the standard of the inspection to begin with and I fail to see how we can improve that inspection by having three different levels of government inspecting the same building.

Mr. Lewis: You finally worked it out.

Hon. Mr. Rhodes: As far as I am concerned, I think the inspection programme can be carried on by the Central Mortgage and Housing inspectors and the municipal inspectors. We don't need a third level of inspector at the Ontario Housing Corp. level.

Mr. Deans: Supplementary. How does the minister propose to keep a check on the builders, many of whom do work which is totally unsatisfactory, to determine whether or not they should be working under the HOME programme at all, if the inspection is going to be given over to Central Mortgage and Housing? Does he realize the amount of frustration people feel in not knowing which agency to deal with? They go to OHC for the draw; they go to Central Mortgage and Housing for their mortgage; and they have to try to determine whether the inspection should be municipal or federal rather than provincial. Why doesn't the minister assume his responsibilities? It has taken years to get the inspection up to a standard and now he is dismantling it.

Hon. Mr. Rhodes: Mr. Speaker, the hon. member is one of those who for the last number of months has continually been critical of the situation—

Mr. Deans: The last number of years, I'll have you know; not months.

Hon. Mr. Rhodes: —and I would say probably with good cause.

Mr. Lewis: Yes, we finally got OHC doing the job.

Mr. Speaker: Order please.

Hon. Mr. Rhodes: I'm suggesting to the hon. members that—

Mr. Deans: You opt out because you can't do it.

Mr. Speaker: Order, please. The question has been asked.

Hon. Mr. Rhodes: If you will shut up for a while, I'll answer your question.

Mr. Deans: You are incompetent.

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Rhodes: You are incorrigible.

Mr. Speaker: Order.

Mr. Deans: Maybe so, but you are incompetent and that's worse.

Hon. Mr. Rhodes: I don't think you have the capability to make a judgement on who is competent or not in this House, I'll tell you that.

Interjections.

Mr. Speaker: Order, please. Further questions, the Leader of the Opposition.

Mr. Roy: He has been known to change his mind.

HOSPITAL CLOSINGS

Mr. Lewis: Now that we have begun on an amicable note, perhaps I could heat it up a little.

May I put a question to the acting Minister of Health?

May I ask how is it that none of the hospitals whose final plans were announced here yesterday were afforded the courtesy of being told in advance what to expect, despite the fact that some of them had been promised that commitment, and it served them as a simple repeat on all that had been done in December and January? Second, how is it that the minister's letter to them did not convey the undertaking put forward to the

Legislature by the Premier (Mr. Davis) which made no mention of ambulatory or ancillary or related kinds of care? What happened in this whole process?

Hon. B. Stephenson: Mr. Speaker, we attempted to telephone the chairmen of the boards of the various hospitals involved in time to have them hear the information by the time the Premier had made his statement in the House. We were not successful in all instances.

Mr. Lewis: You're not kidding.

Mr. S. Smith: Any instances.

Hon. B. Stephenson: It was not intentional on my part that they were not informed before the decision was publicized because I did not realize that commitment had been made. If it had been made and I failed to carry it out, I apologize to those institutions. However, there was mention in each of the letters about alternative methods of providing service. It was not spelled out. They have all been contacted by telephone. They have been informed of the proposals which have been made and we shall be meeting with at least two of them in the very near future.

Mr. Lewis: So you have started all over again.

(Supplementary, if I may: Is it not true—let's just have it out on the floor—that all of the so-called consultations over the last several months, entered into in good faith by the hospitals, were a determined charade by the government, doomed to failure in advance? Isn't that what happened here yesterday?)

Hon. B. Stephenson: No, Mr. Speaker, that is not true.

Mr. Lewis: What difference is there in any of the submissions they made? What a way to deal with communities.

Mr. Speaker: Perhaps we should have a supplementary from the member for Hamilton West first.

[2:30]

Mr. S. Smith: A supplementary question: If the minister says the consultations are meaningful and the decision was one which could be conveyed reasonably, how does she account for the fact that the letters sent to Clinton and Durham simply informed people: "Make sure your staff receive termination notices. You must stop. Your hospital must close"; period? The letter also says: "In addition, may I also emphasize that the Ministry

of Health staff are available at your request to assist you in developing health care services in your community using existing buildings to some extent." How does the minister make that correspond in any way whatsoever with what the Premier said in this place yesterday?

Mr. Yakabuski: The member is a disappointment.

Interjections.

Mr. Speaker: Order, please.

Hon. B. Stephenson: The letters to the hospitals were to outline the steps which they must take at this point in order to comply with the Employment Standards Act of this province and with the intent of the statement the Premier made. There has been a determined effort on the part of the Ministry of Health to contact the boards of governors involved to inform them of our willingness to work with them to develop the kind of services which are appropriate for their areas.

Mr. Lewis: Always after the event.

Mr. Speaker: The member for Grey had a supplementary, I believe.

Mr. McKessock: I would like to ask the acting Minister of Health if, due to the fact the people in Durham, and I suppose other places, still don't know what has happened by the notices that went out yesterday and the letters they received, she would send them immediately a letter stating full particulars about what they have, covering the ambulatory service, the labs, the x-ray service and the nurses that they may maintain at the hospital?

Hon. B. Stephenson: We will do more than that. We will send a team from the ministry to Durham to discuss it with them.

Mr. S. Smith: They have already had some of those.

Mr. Singer: What are you doing for the member for St. Andrew-St. Patrick (Mr. Grossman)?

Mr. Lewis: May I ask a further question of the acting Minister of Health? What is she going to do in the case of Paris-Willett now that their board has resigned?

Mr. Breithaupt: Send it, "To whom it may concern."

Hon. B. Stephenson: At the request of the mayor of Paris, a team from the ministry

will be going to Paris tomorrow morning and that problem will be resolved tomorrow.

Mr. Riddell: Supplementary: I wonder if the minister will be sending a team to Clinton to explain the details of the closing of that hospital, being that her letter and the Premier's statement seem to be in contradiction.

Hon. B. Stephenson: Mr. Speaker, there is absolutely no contradiction between the letter and the Premier's statement, none whatever. If people choose to invent contradiction, that is up to them. They are entirely in the same spirit.

Mr. S. Smith: Oh, come off it!

Hon. B. Stephenson: We will be happy to send a team to Clinton to discuss it with them.

Mr. Shore: Have you got enough teams?

Mr. S. Smith: The people will be given the choice.

Mr. Lewis: May I ask the minister a related question? Is she prepared to table in the Legislature the material from the ministry indicating on what basis she rejected all of the alternatives put forward to her by each of the four hospitals whose services she effectively terminated yesterday? Would she care to show us what process was gone through in the ministry and what material was prepared which allowed her to arrive at the one decision which not one of them requested?

Hon. B. Stephenson: I doubt that the hon. Leader of the Opposition would understand that material if we did table it.

Interjections.

Mr. S. Smith: Weaker by the moment.

Mr. Speaker: Order, please.

Interjections.

Mr. Speaker: Order, please, the hon. minister has the floor.

Hon. B. Stephenson: Since I do not have it today I cannot table it. I shall seriously consider the request.

Mr. S. Smith: Another Timbrell.

Mr. Singer: That sounds like Timbrell.

Hon. B. Stephenson: That's not Timbrell, that is me.

Mr. Lewis: You will shorten your cabinet career with stuff like that.

BRADLEY-GEORGETOWN HYDRO ROUTE

Mr. Lewis: May I ask a question of the Attorney General? Given the difficulties or uncertainties which attach to the Ombudsman's decision around the Bradley-Georgetown Hydro transmission corridor, and given some of the potentially controversial matters with which he has yet to deal, might he be encouraged to use section 15, subsection 5, under the Ombudsman's Act to seek a declaratory intent from the courts when he is uncertain of whether or not cabinet material is involved?

Hon. Mr. McMurtry: Mr. Speaker, the section to which the hon. Leader of the Opposition refers is the section that gives the Ombudsman power to refer a matter to the Supreme Court of Ontario if there is a dispute as to whether or not the Ombudsman does have jurisdiction in the matter. I am satisfied, by reason of the legal expertise that is available to the Ombudsman and that which is available to this government, it's not likely that many disputes will ever seriously arise as to whether or not there is jurisdiction. In the event that it does, I'm sure this government—or, speaking for myself, I would encourage the Ombudsman to make use of the legislation which is available to him in the event the matter cannot be satisfactorily dealt with by the respective parties or the ministry or the Ombudsman's office, as the case may be.

ENVIRONMENTAL HEARING BOARD REPORTS

Mr. Lewis: One last question of the Minister of the Environment, in two parts: Does he have the Environmental Hearing Board report on the lead smelters ready to table yet? Has he made a decision on the hearing board report on the Stouffville dump?

Hon. Mr. Kerr: The Environmental Hearing Board report on lead is at the printers at the present time. We finally received the task force report that we had been waiting for, with some statistics. We hope to have that tabled within 10 days to two weeks at the latest.

I'm still waiting for the decision regarding the Stouffville dump.

HURONIA REGIONAL CENTRE

Mr. S. Smith: Mr. Speaker, a question to the Minister of Community and Social Services regarding the Huronia Regional Centre:

Following the comments of the acting Minister of Health (B. Stephenson) on Apr. 8 in response to a question by the member for Simcoe East (Mr. G. E. Smith), and in view of recent revelations, what is the minister doing to allay the fears and some of the ill feeling that has developed in the community in Orillia around the Huronia Regional Centre, especially in view of some of the headlines and some of the feelings that have been created around that?

Hon. Mr. Taylor: The hon. member may be thinking in terms of the lack of jurisdiction to retain residents within that particular institution. As members know, under the Developmental Services Act we do not have the power of custodial care; so if there is a person who may be considered a person who would do harm to himself or to others, the procedure that is followed is to refer that person from Huronia to Penetang, where the examination is performed. Of course, under the Mental Health Act there is power within that legislation to exercise custodial care.

The problem arises in terms of whether we should reverse our philosophy in terms of preventing persons from signing themselves out of our institutions, out of the facilities that we have. We don't think we should exercise that type of custody in the type of facilities that we have, so it certainly is not our intention to introduce any changes in the legislation.

In terms of supervision, that is always a problem. We are doing what we can. As members know, it is a two-way street. There's education on the part of the public in terms of what we're trying to do, and understanding on the part of the public as to what mental retardation is all about. There are difficulties, but I think because we see these singular instances we shouldn't condemn the entire programme or what we are trying to do in our ministry in terms of mental retardation.

Mr. S. Smith: If I may ask a supplementary question, sharing with the minister, as I do very sincerely, the desire that this not be smeared and that our philosophy not be reversed in this: I wonder if he shares my concern that, with the public in the area becoming more and more excited about this, the good things about the programme could be endangered? Would he be willing to entertain the possibility of an inquiry into the way the retardation centres have functioned since being transferred into the Ministry of Community and Social Services, so that public fears can be allayed? Comments, headlines about the co-ed policy and so on, I think are not helpful, and I would be very pleased if the minister would give an answer to that.

Would he consider a public inquiry into the status of these institutions, since separation from Health into Comsoc?

Hon. Mr. Taylor: No, I wouldn't think that would be the best course of action. We have an ongoing review. The hon. member mentioned the matter of co-educational facilities—actually that's not a part of our programme. We did check into that particular problem. I might say that the programme director has been suspended in regard to that particular section until we can conclude our own internal investigation rising out of the circumstances. So it's a matter of ongoing review.

We've had, as I think the hon. member will appreciate, quite a few changes to make. When you transfer a facility from Health to my ministry and you introduce an entirely new philosophy, it's not one merely of medical treatment, it's one of trying to develop that person to his or her capabilities. We like to do that within our own ministry without trying to focus on some of the idiosyncracies that may exist.

Mr. G. E. Smith: Mr. Speaker, in view of the fact that some of the parents of residents of the Huronia Regional Centre are concerned that the residents have the privilege of signing themselves out at the age of 16 years against the desire of the parent, would the minister consider reviewing the Act and perhaps bringing in an amendment which would give the final decision as to being able to sign themselves out into society to the parents in consultation with the ministry, rather than having it a unilateral decision of the ministry?

Hon. Mr. Taylor: Again, Mr. Speaker, the staff does the best it can in terms of counselling that particular resident to do what is in the best interests of the resident. Certainly, families are consulted, but it's difficult to have it both ways. Either you're going to exercise a legislative right of confinement, or you're going to have to leave it on a voluntary basis. Presently, I'm not considering legislation which would provide for custody against the resident's will. That's not to say we're not trying to improve our facilities—whether that's supervision or what have you. But as far as legislating the right of custody is concerned, that is not something I have considered at the moment.

Mr. Speaker: The member for Bellwoods with a final supplementary.

Mr. McClellan: Thank you, Mr. Speaker.

Mrs. Campbell: Final? I want to ask a question.

Mr. Roy: We haven't had a supplementary.

Mr. McClellan: Would the minister not consider the establishment of a halfway house facility under the jurisdiction of the Mental Health Act in conjunction with the Ministry of Health to deal with the real problem at Huronia, which is the referral of people to Penetanguishene and then their remission back to Huronia? The suggestion is that he consider a halfway facility under the jurisdiction of the Mental Health Act for harmful and dangerous retardates at the Huronia Regional Centre in conjunction with the Ministry of Health.

Hon. Mr. Taylor: I think the capability is already there in terms of the Mental Health Act. If the assessment warrants the confinement, of course, that is carried out. I don't think any legislative changes are necessary.

Mr. McClellan: But there is no facility.

Mr. Speaker: Order, please. Are there more supplementaries requested on this particular question?

Mrs. Campbell: Yes, Mr. Speaker.

Mr. Speaker: We will allow one question from the party that asked the first question. The member for St. George.

[2:45]

Mrs. Campbell: Mr. Speaker, in view of the answer given by the minister in which he refers to certain idiosyncrasies, when we see crimes of violence which include at least three murders in 15 months by those who have been released under his policy, does he not realize that the vast majority of those who really shouldn't be affected by this kind of operation are, in fact, being jeopardized—and that they have not even been permitted to go out into the community because of this whole circumstance surrounding these problems? Is murder an idiosyncrasy?

Hon. Mr. Taylor: Mr. Speaker, I am not certain of the thrust of the member's remarks. Murder, hopefully, is an uncommon event in our social system. We certainly don't advocate it, if that's what she is suggesting.

Mr. Singer: We will explain it to the minister again.

Mr. Reid: Quit while you are ahead!

Mr. Speaker: Order, please.

Hon. Mr. Taylor: Insofar as the freedoms exercised by those who may be mentally retarded are concerned, it is all right to con-

demn and focus on an unhappy situation because the person happened to be mentally retarded, but maybe we should compare the murders in other segments of the community as well.

Mr. Lewis: That's the most positive thing you have said since you became minister.

Mr. S. Smith: No, we are not doing that; we are being very reasonable.

Mr. Speaker: Order, please. I think we should go on. If there is time we can go back to this question later, because we have taken quite a bit of time. The member for Hamilton West with a further question.

GUN CONTROL

Mr. S. Smith: For the Attorney General, please, Mr. Speaker: Was the Attorney General being completely candid when he said on Feb. 26 that his government supported fully the gun control legislation introduced by the federal government—and, in fact, the federal legislation meant that Ontario wouldn't have to enact its own because it was quite similar? Was he being totally candid in giving his government's opinion at that time?

Hon. Mr. McMurtry: Mr. Speaker, I can't recall precisely what I said, but I certainly would have indicated that we were generally in support of the federal proposals.

Mr. Reid: It's not going to do a thing.

Hon. Mr. McMurtry: I can't say I have studied them in any particular detail. The matter does not fall directly within our ministry insofar as there has been the necessity for provincial legislation.

Mr. S. Smith: As a supplementary: Would the minister undertake to check with one of the other cabinet ministers—the Minister of Natural Resources (Mr. Bernier)—and inquire from him what he meant by his comments on the radio today when he said his government was not interested in gun control, only in “hunter competence”; that he does not support the federal gun control bill; that he thinks controls on guns are a nightmare, they are just ridiculous and simply more bureaucracy? I quote word for word from his interview this morning on the CBC.

Mr. Roy: Somewhat embarrassing.

Hon. Mr. McMurtry: Mr. Speaker, I am always interested to have the views of my good friend the Minister of Natural Resources.

Mr. S. Smith: They should tell the same story in the city as they do in the country.

Hon. Mr. McMurtry: I can assure the hon. member we will continue to communicate with one another.

Mr. Lewis: That's not going to work.

Mr. Reid: I agree with you.

PROTECTION OF PRIVATE PROPERTY

Mr. S. Smith: A question for the Solicitor General: Will the Solicitor General confirm the rather troubling report in a newspaper that residents of a housing project, I think it was in Kitchener, were compelled to form their own vigilante committee to protect their property, and that protection from the police was simply insufficient? I am rather disturbed by this. Can he confirm that this is, in fact, what has happened?

Hon. Mr. MacBeth: Mr. Speaker, I can neither confirm nor deny it.

Mr. S. Smith: As a brief supplementary: Would the Solicitor General undertake to look into the matter, and also to let us know whether any other communities have had to set up such vigilante groups?

Hon. Mr. MacBeth: Mr. Speaker, the last part of that question might be a rather impossible task, but I will certainly get information on the first instance.

Mr. Lewis: Oh, vigilantism is everywhere.

BUDGET FIGURES

Hon. Mr. McKeough: Mr. Speaker, the member for Kenora-Rainy River—

Mr. Reid: Just Rainy River.

Hon. Mr. McKeough: —just Rainy River, asked a question on Friday, and I would like to elaborate on my answer to that question, concerning discrepancies in the trade figures in the April, 1975, and April, 1976, budgets.

In the 1976 budget, the import and export figures have been placed for the first time on the balance-of-payments basis in conformity with Ontario's system of provincial income and expenditure accounts. In previous years, the figures were presented on a customs or ports-of-clearing basis.

There are two principal reasons for this change in presentation: First, to place the budget review and forecast of the foreign

sector on the same provincial and income expenditure accounts basis as the rest of the budget economic outlook. Second, to present a summary of foreign sector activity which more accurately reflects the impact of the foreign sector on the Ontario economy.

Whereas the customs basis is a record of imports and exports of goods only, the income and expenditure accounts basis includes services as well as goods. Thus, to exports of goods are added tourism, banking and financial services rendered abroad, freight and shipping, and international consultation. Excluded from the provincial accounts figures are goods produced in other provinces and shipped from ports of clearance in Ontario.

On the import side, the income and expenditure accounts basis excludes imports received by Ontario ports and subsequently shipped to other provinces for final consumption.

In the 1976 budget, exports are projected to increase by \$3.7 billion over 1975. This is an increase of 20 per cent in current value terms. The physical volume of Ontario exports will increase substantially in 1976 as recovery in the United States economy continues. US manufacturers are increasing production and rebuilding inventories, so the demand for Ontario's primary and fabricated metal products will be strengthened during the year. We should also retain most of our share of the now healthier American auto market. In addition, the settlement of labour disputes in the pulp and paper industry will be of obvious benefit to our exports.

Of course, our potential for export growth may be limited if we do not continue to vigorously pursue policies to limit inflation, particularly in the area of energy prices and to improve our productivity performance.

Mr. Reid: One short supplementary for clarification: Are we talking in both cases about constant dollars, or annual dollars? Secondly, I take it then the difference is on the basis of reporting?

Hon. Mr. McKeough: Yes, and current dollars.

Mr. Reid: Current dollars.

INDUSTRIAL SAFETY

Mr. Deans: I have a question for the Minister of Labour: Does the Minister of Labour understand the continued anxiety that's felt by many employees and the economic threats which they face when they make the judgement not to enter a job site,

whether it be in construction or industry, that they feel to be unsafe? And doesn't the minister feel it might be better if she were to introduce legislation guaranteeing their economic well-being during the period when they might either be unemployed as the result of the action that they took, or if their employment is in question during the investigation, rather than simply tell them to walk off the site?

Hon. B. Stephenson: Yes, Mr. Speaker, I do understand the anxiety felt and, yes, I will consider that.

Mr. Speaker: The member for—

Hon. B. Stephenson: Mr. Speaker, could I provide the answer to a question which was raised I think three days ago by the leader of the—

Mr. Speaker: Order, please. I think we will get to the answers in turn, please. Thank you.

Hon. B. Stephenson: All right.

Mr. Speaker: Supplementary? You have a supplementary, the member for Rainy River?

Mr. Reid: No.

Mr. Speaker: The member for Downsview, please.

SAFETY AND ITALIAN WORKERS

Mr. di Santo: I would like to ask the Minister of Labour, Mr. Speaker, how does she reconcile the statement she made last week on a specific safety project when she said it's working extremely well, with the statement of Mr. Edward Trelford, who is the officer supervising the project, who actually says the project is not working very well and is extremely slow?

Hon. B. Stephenson: Mr. Speaker, the quotation in the newspaper I think did not state that Mr. Trelford suggested the project was not working well. What he suggested was that the numbers of inquiries regarding safety were limited. However, there are a number of inquiries about related subjects and non-related subjects which we think to be of value to the people using that hot line and I think our statements are entirely compatible.

OCCUPATIONAL HEALTH

Mr. Reid: A somewhat related question to the Premier if I may: Does the Premier not

agree that in view of the problems regarding occupational health, the collective bargaining process and industrial and construction safety, now is the time to set up a select committee of this Legislature to operate this summer to look into these very serious problems which, to a large extent, have been ignored by this government for so many years?

Hon. Mr. Davis: Mr. Speaker, I think the hon. member was quite sincere in the early part of his question and then decided to become a little bit provocative toward the end.

Mr. Reid: Even at the end I was sincere.

Mr. Ruston: You do that once in a while, too.

Hon. Mr. Davis: Mr. Speaker, I am the last one to question in any way the need for far greater study and understanding in the whole field of occupational health. I would make this general observation: That while there is much yet to be done, a lot which is not known and I think government action which probably yet needs to be taken, in some slight study of my own I have ascertained one thing—that it is perhaps not factually correct for the hon. member to imply that it has been neglected in this province because the fact is, in terms of occupational health and standards and government activity—and I hate saying this from time to time but it happens to be true—

Mr. Sweeney: Like every day.

Hon. Mr. Davis:—even with the difficulties which exist the policy and the record in this province is comparable to and superior to many other jurisdictions on this continent and elsewhere.

Mr. Reid: That is not good enough.

Hon. Mr. Davis: It is true.

Mr. Reid: When you have to close a plant for safety; when you have to close an asbestos plant.

Mr. Speaker: Order, please.

Hon. Mr. Davis: We closed a plant because there was a problem for the workers there and I make no apologies for it, none whatsoever.

Mr. Reid: How about Elliot Lake? That is not an enviable record.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I am also concerned that the way those people would run the course, not only would they close the plant, they would forget about the fact we need to keep the economy moving so that we can do some of the programmes—

Mr. Reid: Baloney.

Hon. Mr. Davis: Certainly you would.

Mr. Roy: I think he's out of order.

Hon. Mr. Davis: Mr. Speaker, however, to get back to the reasonable part of the hon. member's question.

Mr. Roy: You are being provocative now.

Hon. Mr. Davis: I am not sure that necessarily all three parts relate one to the other. I am encouraged, though, by the member suggesting that select committees do have validity, because that has not always been the view expressed by members of his party.

Mr. Reid: If they deal with something pertinent, they do.

Hon. Mr. Davis: I will certainly take his suggestion as one worthy of consideration although the latter part of his question I reject totally. While I'm on my feet, as a matter of personal privilege, Mr. Speaker—

Mr. Roy: He is out of order.

Mr. S. Smith: Now that we've heard the provocative part, what about the reasonable part of the answer?

Hon. Mr. Davis: Mr. Speaker, as a matter of personal privilege, which I think is always in order—and I will say this quietly and non-provocatively if I can—the Leader of the Opposition (Mr. Lewis) suggested earlier in the question period, and I have assessed this very carefully, that the appeals which were launched by the four or five hospital boards were not considered sincerely or genuinely by the government, including the Premier of this province.

Interjection.

Hon. Mr. Davis: I want to say the Leader of the Opposition may object to the solution. This I understand but I want to tell him as concisely and clearly as I can that those appeals were looked at objectively; they were looked at constructively; and there was no predetermination on the part of the Premier or anyone else in the government prior to those appeals being launched as to what the result would be.

Mr. Speaker: The hon. Minister of Labour may give that answer at the present time.

Mr. Lewis: If that was true, you would have told the communities yesterday before you made the statement. It is called good faith.

Interjections.

Mr. Speaker: Order, please. The Minister of Labour.

Interjections.

Mr. Speaker: I have been calling for the Minister of Labour and other people haven't been able to hear me.

Mr. Roy: Do we get extra time for that?

Mr. Speaker: No.

DISPENSING FEES

Hon. B. Stephenson: Mr. Speaker, it is as acting Minister of Health that I am responding to this question which was posed by the leader of the Liberal Party (Mr. S. Smith) and by the member for High Park (Mr. Ziemba) in a supplementary, regarding the cost of prescription services by pharmacists in multiple prescriptions, multiples of one month's supply.

The contract with the pharmacists in the Province of Ontario entitles the pharmacist to some discretion in this matter. If he feels, for good reason, that the patient does need more than one month's supply he may so supply. He may supply not more than six months at a time provided this is on doctor's prescription or at his discretion. If he does so, he may charge exactly the same fee he would ordinarily charge for one month's supply or he may charge what he would ordinarily charge a cash-paying customer for dispensing that drug in that quantity.

[3:00]

ZONING APPLICATION IN HALDIMAND-NORFOLK

Mr. Makarchuk: Mr. Speaker, a question of the Minister of Housing, who is responsible for zoning in the Province of Ontario. Can the minister at this time indicate what were the reasons considered by cabinet in order to overrule an OMB decision to deny the town of Haldimand a request for a change in zoning to permit a quarry to become operative in the area, in view of the fact there are quarries in the vicinity, and the fact that

1,000 acres of land will be sequestered or taken out of farming for this purpose? Could he tell me what were the reasons for overruling the OMB decision?

Hon. Mr. Rhodes: No, Mr. Speaker, I can't give the hon. member the reason at this time. I may have lost him a bit in the early part of his question and I apologize, but I think I know what he was referring to; I would like to get him the information. I can't give him that answer now, but am I correct that he is inquiring as to the refusal for the issuing of a permit to operate a gravel pit operation in Haldimand-Norfolk?

Mr. Makarchuk: The request was by King Paving to change the zoning in Haldimand and Norfolk to begin operation of a quarry in that area.

Hon. Mr. Rhodes: Mr. Speaker, I will get the information for the hon. member.

MENTAL RETARDATION CENTRES

Mr. Stong: Mr. Speaker, I have a question of the Minister of Community and Social Services. In the light of the fact that his ministry saw it necessary to suspend Mrs. Jo Ellen Atherton, the programme unit director at Huronia, because of the policies she had instituted with respect to the mentally retarded in that institution, and in view of the fact that in answer to my question in this House on March 30, the minister recognized problems in Smiths Falls, is the ministry prepared to conduct a public inquiry into the management of all these mental health institutions in Ontario?

Hon. Mr. Taylor: Firstly, Mr. Speaker, I would correct the hon. member in terms of his appellation of our facilities; certainly I don't consider them mental health facilities. In terms of what we are doing, I would just like to repeat that it's certainly not my intention to launch any investigatory procedure outside of our own internal workings to clarify and to rectify any problem that may emerge.

As I mentioned earlier, there was some suggestion—and I think the hon. member made it—that some coeducational activity was taking place at Orillia. That was investigated. As a result of that investigation a programme director has been suspended pending a fuller investigation, because that certainly is not the policy of my ministry and was being permitted contrary to the knowledge of the administrator.

Mrs. Campbell: Are you sure of that?

Hon. Mr. Taylor: So I believe that we can look after those particular problems as they arise. Of course our intention is to do anything we can to improve our facilities and to continue with our programme of developmental work and, of course, community integration.

Mr. Stong: Supplementary, Mr. Speaker: Was the minister not aware that this situation existed, and at least if he wasn't aware of it, why has action not been taken against the director, Mr. Blakeman, arising out of this situation?

Hon. Mr. Taylor: The administrator is Mr. Blakeman, who is in charge of the overall institution. It's a very large institution. This was one particular section under this person who had a supervisory capacity, and a condition existed which the hon. member mentioned—that is, I believe, toileting and brushing teeth and so on—

Mrs. Campbell: Showering.

Hon. Mr. Taylor: —where there wasn't the privacy that we expect, so that I don't think that one can fault an administrator if an activity happens of which he was not aware for good reason.

Mrs. Campbell: Over a two-year period.

Hon. Mr. Taylor: He certainly is attending to that, and matters will be put straight.

Mr. Speaker: I think we should get on because there are many more people who wish to ask questions.

BUDGET MESSENGER SERVICE

Hon. Mr. Meen: In reply to questions raised in the Legislature last Friday and in accordance with an undertaking that I gave to the members at that time, I am pleased to table a list of the persons to whom a copy of the budget was delivered after 8 o'clock on the evening of April 6.

Mr. Reid: Is that just from yourself or all the ministers?

H.O.M.E. PROGRAMME

Mr. Cassidy: A question to the Minister of Housing: Does the government intend to implement the proposed reductions of standards that were reported on today and, if so, how?

Hon. Mr. Rhodes: One learns, I guess, as one gets older. I offered the courtesy of

sending the hon. member advance copies of them. Obviously, he knows I'm not going to answer his question. He's made his point. He can ask it next week when I have had a chance to make up my mind.

Mr. Cassidy: Supplementary: Does the minister consider that the price of \$20,000 per lot in the metropolitan area, which is the average cost of lots after the reductions of standards proposed here and which is created in large part because of the high cost of urban land, is affordable to the vast numbers of people who want housing in the Province of Ontario?

Hon. Mr. Rhodes: No, I don't suppose that would be considered affordable but it is a lot more affordable than the present price on the market.

SCHEDULING OF OPERATIONS

Mr. Singer: I have a question for the acting Minister of Health. While appreciating her prompt attention to my concern yesterday about Maryjean Boetto and her advice this morning that the operation scheduled on this young lady was going to take place today, can the minister tell me what steps she is taking to make sure that this series of circumstances will never again take place whereby a young 12-year-old girl facing a major operation suddenly is advised that the operation will not take place since, because of the restraint programme, there are not enough nurses to man the operating room?

Hon. B. Stephenson: The major operation which the hon. member mentions was the amputation of three toes which is a reasonably traumatic experience for a 12-year-old.

Mr. Lewis: Reasonably traumatic?

Hon. B. Stephenson: There was a two-pronged difficulty in the Hospital for Sick Children. One was the scheduling of so-called dirty cases in operating rooms. Unfortunately, there had been a clean case scheduled immediately following this one and, although there are 11 operating rooms functioning daily in the Hospital for Sick Children with sufficient staff to ensure that they do function, there is no extra staff on standby to ensure the staff involved in a dirty case would not be involved in dealing with a clean case immediately thereafter.

There are two problems involved in this area. The chairman of the department of orthopaedics at the hospital is concerned primarily about the surgical and sterile tech-

niques involved and he is attempting to look after that part of the problem. I am also looking at the staffing problem of the operating room.

Mr. Singer: By way of supplementary, can the minister tell us whether or not it is not reasonably possible that a hospital as efficient as the Hospital for Sick Children can arrange for appropriate scheduling for the various operations on its list so that this tragic event could never take place again?

Hon. B. Stephenson: I would think it would be quite possible for the Hospital for Sick Children to do this. Scheduling is a difficult manoeuvre at times, but it is not all that difficult.

LOSS OF TREES

Hon. Mr. Bernier: The member for Rainy River (Mr. Reid) asked a question last week of my colleague, the Provincial Secretary for Resources Development (Mr. Irvine), concerning the killing of valuable timber on 1,200 acres of land in the Parry Sound area.

The Bracebridge office of the Ministry of Natural Resources has reported to me that the operation referred to was on 950 acres in Bethune township and that they did not kill valuable timber. This was a stand improvement operation in a maple forest which was last cut in 1950.

Mr. Stokes: That's therapeutic logging.

Hon. Mr. Bernier: Therapeutic, that's right. Now we don't know what that is in northern Ontario.

Mr. Reid: What if somebody cut a ring around your stomach? How long do you think you would last?

Hon. Mr. Bernier: They did that last week.

Mr. Reid: It would take a long time to do it but what would happen? It would be cosmetic if not therapeutic.

Hon. Mr. Bernier: They are going to do that. The maple trees in that area are about 12 to 14 inches in diameter at breast height. The ministry girdled 10 to 12 trees per acre, leaving about 100 trees per acre to continue growing. The girdled trees were defective, possibly rotten, crooked, diseased, insect-infested or damaged. They were girdled to avoid damage to the remaining trees, and to permit the growth capacity of that site to concentrate on the good trees. This is a normal silviculture technique practised in hardwood forests.

The trees to be girdled are marked by professional foresters and forest technicians. In this girdling operation it was recognized that 10 to 12 trees per acre were defective. They were of no use for sawlogs. They were the remnants of a previous cutting operation in which that forest had been high-graded. To help the trees which were left the defective trees had to be removed. Cutting them would possibly damage the remaining trees; thus girdling is used to prevent such damage.

One final factor relates to this operation. The mills in this area use only sawlogs. There were not enough sawlogs in the girdled trees to make a profitable logging operation. There is no local market for pulpwood, hence the trees in question could not be sold for pulpwood, as is our normal policy when a market can be found.

Interjection.

Mr. Speaker: The oral question period has expired.

Petitions.

Mrs. Campbell: Mr. Speaker, I have a series of petitions. I have examined them as to form in accordance with our new policy. They pertain to petitions against the closing of Doctors Hospital and are, I believe, in six languages.

Thank you, Mr. Speaker.

Mr. Speaker: Presenting reports.

Hon. Mr. Rhodes presented the report of the Ontario task force on leasehold condominiums and the report on urban development standards.

Mr. Speaker: Motions.

Introduction of bills.

SAULT STE. MARIE BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Mr. Wells moved first reading of bill intituled, An Act respecting the Sault Ste. Marie Board of Education and Teachers Dispute.

Motion agreed to; first reading of the bill.

Hon. Mr. Wells: Mr. Speaker, the effect of this piece of legislation would be to open the schools completely in Sault Ste. Marie when school begins next Tuesday after the Easter holiday. It would mean that the 405 teachers would be back in their classrooms and the 6,600 students would have school resume normally for them.

There has been a state of strike, in one way or another, in Sault Ste. Marie since Feb. 5, 1976. There was work to rule in the first instance; then rotating strikes; we are now in about the eighth day of a straight general strike.

All the schools, seven of them, in that particular area are on the semester system. It certainly is apparent to me that progress is not going to be made and only by this Legislature putting this matter to arbitration can we protect the interests of the students in this particular dispute.

I must tell the members, however, that the Education Relations Commission did not indicate to us that the pupils' programmes were in jeopardy but the cabinet decided it felt that they were from the information we had, and we are proceeding with this piece of legislation.

TRANSPORTATION COSTS IN NORTHERN ONTARIO

Mr. MacDonald: Mr. Speaker, on a point of order or clarification, through you to the Minister of Transportation and Communications. What exactly is an "executive summary," a phrase used in reference to this report on freight rates and related problems? Is it an abridgement of the study? If so, what were the guidelines in deciding what would be left out and what would be published? In short, is there any possibility that this is what the government agrees with and what was disagreed with has not been published?

Hon. Mr. Snow: Mr. Speaker, I would have to get the detailed answer for the hon. member, but I would expect that is a summary of the findings and the recommendations. I would think the full information which would relate to this study would be something that would be very difficult to publish. It would be that thick.

Mr. Speaker: Introduction of bills.
[3:15]

MUNICIPAL ELDERLY TENANTS ASSISTANCE ACT

Mr. Renwick moved first reading of bill intituled, An Act to provide Assistance to Elderly Tenants.

Motion agreed to; first reading of the bill.

Mr. Renwick: Mr. Speaker, this bill would permit any municipality to make payments to tenants of residential real property on the same terms and conditions as if such tenants

were owners of real property entitled to uniform credit against real property taxes under the Municipal Elderly Residents Assistance Act, 1973. It parallels the private bill which was introduced by the township of Nepean in the private bills committee recently.

POINT OF PRIVILEGE

Mr. Speaker: Before the orders of the day, I want to announce that yesterday a complaint was made to me with respect to Mr. Andrew StuParick being released early from the room when the press and others were locked up prior to the presentation of the budget. I must remind the House that not only do I have no jurisdiction over Mr. StuParick or the television room but I do not have any say as to who is locked up for the preliminary briefing prior to the budget nor when they are released. These are all matters within the jurisdiction of the appropriate ministries.

I also wish to advise the House that my report respecting the public galleries and the safety therein has been sent to all members because of its length.

ANSWER TO WRITTEN QUESTION

Hon. Mr. Welch tabled the answer to question 40, standing on the notice paper.
[See appendix page 1342.]

Mr. Speaker: Orders of the day.

Clerk of the House: First order, resuming the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE

Ms. Bryden: Mr. Speaker, many members in this House will know that I have been a long-time budget watcher from the chairs at the back of the chamber. It is a new experience to be part of the process in the House and to have the honour of leading off our party's reply to last week's budget.

It is probably also a first for a woman to be making the reply to the budget speech in any Legislature in Canada. I must say that I'm rather concerned that I find no references in the budget to the problems which women experience in obtaining equality in both the public and the private sectors nor any concern about the special way in which women are affected by the cutbacks in the budget.

In fact, I'm rather disappointed to see that the provincial Treasurer (Mr. McKeough) has not taken the advice of the executive co-ordinator for women's programmes who recommended that each ministry's budget should include an identifiable portion for affirmative action to bring women forward in the public service.

I would like first of all to congratulate the provincial Treasurer—who seems to have left us—on his presentation of the budget. He always makes a good show of it and puts forth his fiscal philosophy in no uncertain terms.

However, when business seems to be the only group in the community pleased with the budget, I begin to wonder whose side he is on. When I hear that his colleague, the Minister of Revenue (Mr. Meen) runs a special courier service to deliver the budget to stockbrokers and other businessmen on budget night, my suspicions are not allayed.

I would draw to the attention of the government that the federal government makes local businessmen stand in line at the Bank of Canada building in Toronto until the Minister of Finance has finished speaking in the House in Ottawa if they wish to obtain a copy on budget night.

Mr. Roy: No favoritism there.

Hon. Mr. Davis: We just want to inform the public; we just want them to know.

Ms. Bryden: Moreover, non-businessmen can get on the list by applying, as the NDP research department has done for several years.

Hon. Mr. Davis: You mean you have always stood in line—

Mr. Ferrier: You do not want to make the stockbrokers stand in line. They may not give to your party's campaign funds next time.

Ms. Bryden: The present Treasurer has the distinction of having delivered four budgets over a six-year period.

Hon. Mr. Davis: All of them good.

Mr. Roy: I am glad you are saying that. You really like those deficits.

An hon. member: What a Freudian slip over there.

Ms. Bryden: His career as Treasurer had a two-year hiatus in 1973 and 1974, when he reverted to the status of being only the member for Chatham-Kent, and then sidled back into the cabinet as Minister of Energy.

It is interesting to note that three of his four budgets are bound in Tory blue covers. Perhaps this confirms the consistency and purity of his fiscal philosophy. It is also interesting to note that his budgets come in neat pairs, spanning an election year and a post-election year. In both cases he has been faced with the task of picking up the pieces after hog-wild, uncontrolled pre-election spending and tax giveaways, after they have left the province with an overblown deficit.

Mr. Moffatt: That's terrible.

Hon. Mr. Davis: Do you know your colleagues voted for those things?

Ms. Bryden: I'm not sure that they voted for all of them.

Hon. Mr. Davis: Well, I think they did.

Some hon. members: No, no.

Mr. Foulds: We took our direction from her for the last four years.

Hon. Mr. Davis: I think they voted for the introduction of sales tax.

Mr. Moffatt: How about the interest rebate plan?

Mr. Speaker: Order, please.

Ms. Bryden: Looking back to the Treasurer's first pair of budgets in 1971 and 1972, we find that his forecast cash deficit, or total budgetary and non-budgetary deficit for 1971 and 1972, was a mere \$344 million, but he actually required over \$1 billion when the books were closed.

This was the first time Ontario's cash deficit hit the \$1-billion mark, so the present Treasurer can claim that distinction in his first year as Treasurer. He nearly doubled his record last year when he came up with a cash deficit of almost \$1.9 billion. I don't know if the Guinness Book of Records recognizes provincial Treasurers' achievements but he must be a candidate for the largest provincial deficit in the history of Canada.

An hon. member: All for the sake of losing an election.

Ms. Bryden: This whopping deficit was not a planned stimulus deficit but was the result of drunken, uncontrolled pre-election spending. It was also due to the giving away of \$590 million in tax cuts and concessions, including the payment of \$90 million in home buyers' grants. Incidentally, we have learned from our questions in the estimates committee that 342 of these grants went to purchases of homes in excess of \$100,000.

Mr. Peterson: Shame.

Ms. Bryden: The deficit is a measure, not only of the government's failure to control its own wasteful spending, but also of its mismanagement of the economy. The Treasurer pats himself on the back for stimulating the economy in the second half of 1975, but much of the activity was borrowed from 1976; for example auto and house purchases.

In actual fact, the gross provincial product in 1975 went up at a slower rate in Ontario than in the rest of Canada. Only 63,000 new jobs were created and unemployment rose from 4.1 per cent to six per cent; I'm using the unrevised unemployment figures to ensure comparability.

This loss of production and of tax revenue from unemployed workers, and the corresponding increase in welfare costs, account for a good part of the budget deficit. To the extent the deficit had to be financed from the money market, it added to inflationary pressures by pushing up interest rates. Last year the government went to the money market for \$743 million, or 40 per cent of its deficit, on top of the heavy demand on the market by Hydro.

This fiscal and economic mismanagement is the cause of the government's overblown deficit. The provincial Treasurer may try to say that the US recession and world-wide inflation were responsible, but the government's pre-election irresponsibility and giveaway spree are the main cause.

Hon. Mr. Davis: And you voted for them.

Mr. Ferrier: It didn't work very well for you in your re-election campaign.

Mr. Renwick: We opposed a number of items in the last budget.

Hon. Mr. Davis: Not the ones she is referring to.

Interjections.

Mr. Speaker: The hon. member for Beaches-Woodbine can continue.

Ms. Bryden: Thank you, Mr. Speaker. A look at Ontario's fiscal history shows a pattern of fiscal bounce. In non-election years, borrowing or deficits accounted for 11 to 12 per cent of revenue. In election years, borrowing jumped up to 19 to 20 per cent. Consequently, post-election budgets are always corrective in Ontario; that is the fiscal pattern the provincial Treasurer has been following in his two pairs of budgets.

The tragedy of this pattern of fiscal bounce is that the post-election budget is always a

backward-looking budget. The fear of a shaky credit rating makes the Treasurer concentrate only on the deficit and not on planning how to meet the ongoing needs of Ontario. His budget is simply a reaction to past mismanagement. It is not a fiscal plan for the future.

To correct the election excesses, the provincial Treasurer had three choices: He could raise taxes, cut waste, or cut programmes. He chose a mixture of all three. Our quarrel is with the way he did it and with the nature of the mix.

Let's look at the taxes first.

To cut his deficit by approximately one-third, or \$659 million, he imposed a net increase of \$330 million in taxes and restored two of the three sales tax cuts he had made at a cost of \$392 million in 1975. He put back the sales tax on new autos and returned the general rate to seven per cent from the election-year rate of five per cent—a 40 per cent increase is hardly within the anti-inflation guidelines, incidentally.

Significantly, he did not put back the sales tax on production machinery and equipment, which he also took off in 1975 for a 33-month period and which it is estimated will cost him \$220 million in lost revenue this year. Instead, he chose to get almost the identical amount of revenue from OHIP premium payers; \$228 million of his \$330 million tax increases come from this regressive form of tax.

He did not need to punish the struggling wage earners and pensioners not yet 65, who are just above the poverty line, with a 45 per cent increase in premium; the same amount of money could have been obtained by cancelling the exemption for machinery and equipment.

While the latter is supposed to stimulate the economy, to date we have never been able to get the government to produce a cost-benefit analysis showing how many jobs have been created by this programme. It has already cost us \$108 million in 1975 and will cost \$410 million before it finishes Dec. 31, 1977. In fact, this particular programme is not even included in the boastful chapter in the budget recounting government measures which are purported to have contributed to a turnaround in the Ontario economy in the second half of 1975.

The OHIP increase of 45 per cent is far beyond the levels which the AIB allows wage and salary earners, and the federal finance minister, Donald S. Macdonald, has bluntly stated that it will hurt the inflation fight. It goes counter to the provincial Treasurer's stated objective on page 1 of his budget: "Re-

ducing the rate of inflation remains the No. 1 objective for economic policy in 1976.”
[3:30]

It seems particularly ironic to increase OHIP premiums at a time when less hospital service will be available under the savage and unplanned cutback being imposed on hospitals. In many cases, the increased costs of travelling further to obtain hospital or psychiatric services or waiting in longer queues at out-patient clinics or making private arrangements for relatives who should be in convalescent beds that just aren't there, will fall on the same people who are being asked to pay higher premiums.

As my leader has already stated, the OHIP premium increase is totally wrong. It leaves Ontario with the highest premiums in Canada, almost three times as high as Alberta's and about twice as high as the new rates which come into effect in BC on July 1; although it is difficult to compare Ontario and BC rates because BC will be charging a \$4-per-day deterrent fee as well and has different rates for families with more than two people in them. Our family rates will also be about three times as high as the maximum paid by a Quebec wage earner under the payroll tax system there.

The Treasurer tries to claim that OHIP premiums are not a regressive tax because he is adding 363,000 people to the number eligible for premium assistance. However, if one excludes those over 65 and persons on social assistance who get free coverage, a total of only 509,000 low-income individuals and families qualify for full premium assistance. An additional 98,000 people will qualify for half premium but that means they will still face a premium of \$96 a year if they are single and \$192 a year if paying the family rate. All other subscribers will pay exactly the same amount, \$192 single and \$384 for a family, which is why we call it a regressive tax.

It is not tailored to ability to pay. The cut-off points for full premium assistance are close to the poverty line. They are \$3,911 gross income for a single person and \$7,188 for a family of four. Beyond that, a single person with income up to \$4,425 and a family of four with income up to \$8,225 will pay half premium; but as soon as income exceeds these amounts, by even \$1, the premium payer is hit with the full premium of \$192 single and \$384 for a family.

The provincial Treasurer also makes much of the fact that employers now pay 88 per cent of group OHIP payments, and about four-fifths of subscribers are in groups. How-

ever, those employer payments have been negotiated in lieu of wages; and the increases will in most cases have to be negotiated in the same way and will not automatically be paid by employers. In fact, an AIB spokesman said that employers would not be allowed to pay the increase if they have already granted wage increases up to the AIB limit.

In his budget speech the Treasurer assumed that all employers will continue to pay the same percentage of premiums as before. Therefore he blithely calculates that, of the \$228 million in extra premium, employers will pay \$164 million or 72 per cent; employees will pay \$22 million or 10 per cent; and pay direct subscribers \$42 million or 18 per cent.

The true facts come out in budget paper B, and I am surprised that the Treasurer neglected to mention them in his speech. In the budget paper it is pointed out that employers will save an estimated \$50 million on corporation income tax because premiums are a deductible expense. This will cut their costs from \$164 million to \$114 million.

On the other hand, premiums paid by employers are a taxable benefit to employees and they will pay \$92 million more in personal income tax, so their costs go up to exactly the same amount as the employers' costs, \$114 million. Nowhere is attention drawn to the fact that employers may pass on this \$114 million in increased premiums to the consumer in prices, as often happens, with what is in effect a payroll tax.

The OHIP premium increase will also add to the cost of many school boards and local governments and at post secondary institutions which pay all or part of their employees' premiums. For example, the Wellington county board of education has estimated it will have to find an extra \$66,000 for this in 1976, at a time when the board is scrambling to make budget cuts. The Metro Toronto school boards will need \$500,000 for this unexpected cost.

These are some of the reasons we consider this cornerstone of the provincial Treasurer's tax increase package completely wrong. We will be debating the matter in more detail at some later date this month, we hope, as we propose to move a separate motion on it.

Mr. Lewis: Your budget was quite dishonest when it dealt with OHIP premiums. You know that, of course. I am surprised you introduced it that way.

Ms Bryden: As I have already said, the same revenue could have been obtained in a much fairer way from those with real ability

to pay, the companies which are installing new production machinery and enjoying a sales tax exemption.

The Liberal Party's position on the premium increase is, like most Liberal policies, difficult to discern. In one breath, on the Harry Brown show on CBL radio in Toronto the day after the budget, the Liberal leader said he opposed the premium increase; but in the next breath he conceded that everything is going up and people should pay something for health care. The health critic for the Liberals, the member for Huron-Middlesex (Mr. Riddell) as recently as March 10, said in this House:

Has the minister ever considered increasing OHIP premiums with consideration being given to those who cannot pay? If the people were approached and told they had a choice between paying a little more toward the premium and having the hospital closed down, I am sure those people would say they could afford the additional cost of the premium.

Mr. Cassidy: That's where it came from.

Ms. Bryden: I grant that the member for Huron-Middlesex was desperately trying to find a means of keeping Clinton and Goderich hospitals open—

Mr. Sweeney: It is more than some of your people did.

Ms. Bryden: —but his philosophy is that a regressive tax should be increased to finance such essential services. We agree that the Clinton and Goderich hospitals are important community facilities that should be kept open, but we think the money should come from more progressive taxes and the trend should be to phase out premiums, as has been done in six of the 10 provinces already.

In addition to hitting most of the people with premium increases of \$60 and \$120 a year, those who need or desire private and semi-private accommodation in hospitals face an increase of 83 per cent in private room rates and almost 47 per cent in semi-private. This has resulted in a tripling of Blue Cross non-group fees now paid by 550,000 people. Many elderly persons and those with special health problems who really need this type of hospital care, but have limited incomes, will find it hard to meet the increased Blue Cross charges or to pay the higher rates when they become ill. Some sort of premium assistance will be needed here.

The provincial Treasurer also appears to be practising a little sleight of hand on this item. He doesn't show the \$20 million extra which the sick will pay as additional revenue, but he doesn't let the hard-pressed hospitals have it either. Instead, he lets them collect

it but will reduce their approved budgets by the amount collected, so that the \$20 million will show up as reduced hospital expenditures in his desperate effort to keep the total health spending within his target. Hospitals used to be able to keep part of the fees for private and semi-private rooms to supplement their budgets.

The other parts of the provincial Treasurers tax package are more acceptable. I think most people agree that we would be better off if we used less tobacco and alcoholic beverages in our lifestyle.

Mr. Renwick: Only the alcoholic beverages.

Ms. Bryden: Higher taxes may deter some consumption or stop some young people from starting their use. However, I find it hard to understand why cigar and pipe-smokers get off without an increase.

Mr. Bain: They are in the Tory cabinet.

Ms. Bryden: Also I think it unfair to allow liquor purchases at the old rates until April 20 to permit the well-off to stock up. I would also like to urge the provincial Treasurer to set aside a larger part of the revenue from these commodities to educate people about the health hazards of what might be called these drugs. He might also consider collecting money for such an educational campaign by taxing all liquor and tobacco advertising although I really think it would be better to ban such adds.

Mr. Laughren: Or ban the Treasurer.

Ms. Bryden: We support the change in taxation of small business as a more efficient and equitable way of giving them some offset for the disadvantages they suffer due to lack of power in the marketplace and in the credit world. However, we feel that much more is needed to re-establish real competition in our society and we hope the government does not feel that it has solved the problem by this small change. Our party is particularly concerned with devising measures to ensure that the investment dealers give Canadian entrepreneurs a better break, instead of encouraging Canadians to put their money in Wall St. and foreign corporations.

The \$20 million extra from the insurance companies appears to be the government's only gesture to obtain more revenue from business. An increase of one percentage point in the corporation income tax would yield about \$80 million. Three provinces are now above our 12 per cent rate.

The extra \$5 million to come from increasing the uninsured driver's fee from \$60 to \$100 is, in our opinion, no answer to the problem of the uninsured driver. However, rather than advocating compulsory insurance in the present jungle of high rates and many carriers, it is time the government took a fresh look at the economies which can come from an efficiently-operated public system of automobile insurance.

Interjection.

Ms. Bryden: Besides OHIP premiums, the tax increases we oppose the most are the municipal and school board tax increases. The provincial Treasurer will say he doesn't levy those taxes but in effect he does. When he cuts back the rate of provincial transfers to local government below the rate of inflation, he is insisting that the local government either raise property taxes or cut programmes. In most cases, they have been forced to do both.

In the past few years the government had embarked on a programme to lighten the burden of the regressive property tax through increased provincial grants. Election pressures and strong urging from this party and from local governments no doubt had something to do with adoption of this enlightened policy.

In 1973 the government made the Edmonton commitment to keep grants in step with the increase in provincial revenues. But in 1975 it started to welch on this commitment, made amidst applause at a tri-level conference at Edmonton. When its expenditures got out of control in 1975, the provincial Treasurer came up with a new interpretation of the Edmonton commitment. In November, 1975, his interpretation said that the increase in local government grants for 1976 should be reduced from 15 per cent, which was the anticipated revenue increase, to 5.5 per cent, due to a so-called overpayment on the commitment in 1975. Of course, the overpayment resulted from the provincial government's cuts in its own tax revenue.

[3:45]

In December, 1975, the Treasurer came up with a recalculation of the commitment, which raised the rate of increase from 5.1 per cent to 8.1 per cent. But a new set of figures in the budget dropped it down to 7.8 per cent. While it may have been salutary to put pressure on local governments to examine their programmes and cut waste, the evidence is now rolling in that the provincial Treasurer's action is resulting in false economy and curtailment of essential and cost-saving services, such as preventive work with children and day care which keeps single parents off

welfare. At the same time, local governments are being forced to raise taxes by as much as 20 per cent just to maintain existing services. The abrupt change in the structure of provincial government grants to schools and high salary settlements bringing teachers closer to other university trained professionals, have caused school boards to raise mill rates by as much as 40 per cent.

My colleague, the member for Welland (Mr. Swart), will give a fuller report on the municipal tax crisis facing this province when he speaks in the debate later. If the provincial Treasurer has any concern for homeowners and tenants in this province, he will reconsider his priorities and find more unconditional grants for local governments. He might even consider taking over some of the shared cost programmes, like welfare and health, to lighten the local load, provided he would permit decentralized administration of such programmes.

If the Treasurer has any philosophy which say taxes should be borne by those with ability to pay, he will moderate the huge tax increases which are coming at the local level. So far, he has not even improved the property tax credit, which was a small step to make the tax more progressive. Because of his present formula, only 10 per cent of tax increases are taken into account and its benefits are eroded as incomes rise with inflation.

Incidentally, the figures which the Treasurer gave at the presentation of his restraint programme to Toronto local government representatives in February in an attempt to prove that the property tax is not regressive, are open to question. Most taxpayers in the city of Toronto will find it hard to believe that the average tax paid by a family with a \$10,000 income was only \$370 last year, or only \$480 for a family with a \$15,000 income. This was before the tax credit.

I challenge the Treasurer to make available the figures which correlate family income with property tax assessments and credits so they can be checked out. I rather suspect that his figures are mainly guesstimates, since 1975 income and tax figures are not in yet. I venture to suggest that a proper study would show the tax is still regressive.

His table for the out of Toronto presentation of the restraint programme is even more questionable. The average tax and income figures for the province as a whole are meaningless when examining property tax burdens. Governments which resort to such poorly supported statistics are, in my opinion, not fit to govern.

The Treasurer's proposal to set up a commission to study suggested reforms of the property tax structure outlined in budget paper E is not the answer to the present municipal tax crisis. In fact, it looks more like a diversionary tactic to justify yet another postponement of market value assessment.

The province took over the assessment function in 1970 with the avowed object of eliminating gross inequities in the existing municipally operated system, and bringing all assessment up to market value. It has built up a huge bureaucracy of 2,430 employees, including 1,525 assessors in 31 regional offices. The average annual cost to the province over the past six years was \$35 million and, to the end of 1975-1976, a total of \$211 million has been spent on this function.

The job was supposed to have been finished by 1974, but every year for the past three years the Minister of Revenue (Mr. Meen) has announced a postponement of implementation, giving a variety of reasons, such as the surge in real estate transactions in recent years. The real reasons appear to be political and administrative.

It soon became apparent that in some areas market value assessment was going to result in a huge shift in the tax burden from commercial and industrial to residential properties because property values in the latter field had gone up faster and because previous assessments had undervalued residential. The government didn't want to face this potential shift before the election and it had not heeded our demand for working out a policy to counteract this.

But each time it postponed implementation it froze the inequities in the present system and continued to deny local governments a fair tax base. It also continued the common practice whereby apartments are assessed at about twice as much as residential properties in relation to market values so that tenants, in effect, pay twice as much property tax as homeowners.

The province knows that perpetuation of these anomalies results in endless problems in handing out grants to local bodies on a fair basis. Its frequent postponements have cost some local governments millions of dollars. It also creates serious problems of equity within municipalities.

But rather than getting on with the job of implementation and adjustment to prevent the shift, it is now resorting to a commission to study the matter and cause another year's delay. While we believe that opportunity for

public discussion of the proposals is essential, the proposals should have been made two or three years ago. It is another example of why we think this government is not fit to govern.

It is to be hoped that the commission will also look into the operation of the assessment branch. One wonders if part of the reason for the delay in implementation and in formulating proposals for reform of the property tax is due to administrative inefficiency. Does the government really know the impact of its re-assessment on the different categories of taxpayers? What have we got for our expenditure of \$211 million on this branch since 1970?

I have heard that one of the decisions was to adopt a California assessors' manual because the Ontario government had never developed a manual of its own in the years when it supervised municipal assessment. The California manual did not recognize that a basement was an integral part of the house so it required considerable modification. I understand that the assessments based on this manual came out away below market value and had to be redone.

The commission might look into the work of the branch and see if there are areas for cost savings there. I understand that the branch collects data on apartments which would duplicate what the rent review officers are also collecting. That is an area to explore. The branch will ultimately have a complete inventory of all housing in the province which could be a valuable planning tool for the Ministry of Housing.

If the commission on the property tax is to provide any real answer to the municipal tax crisis and not just tinker with the property tax base or the business tax, its terms of reference must be expanded to include the interpretation of the Edmonton commitment, and consideration of making some points of the income and corporation tax and sales tax available to local governments so they will have an assured source of revenue which grows with the economy and can begin to moderate their demands on the unfair property tax.

Having dealt with the tax side of the provincial Treasurer's formula for reducing his deficits, let us look at the cutback side. The cutbacks are the government's second front in its deficit-reducing programme. In our books, there are good cutbacks and bad cutbacks. No one will deny that there is plenty of waste in the ministries. For example, a great deal of so-called public relations advertising; high publication costs; the Premier's office and the superministries—we

haven't heard whether there are any cutbacks in staff in those offices.

Mr. Lewis: You could get rid of those superministries tomorrow and never know the difference.

Ms. Bryden: Many of the trade missions; some of the Ontario Development Corp. grants which may have gone to industries which were going to move to their locations anyway. The Ontario Economic Council, the Pickering land purchases, empire-building bureaucracies and so on. But not very many of these have been eliminated or even cut back substantially.

Instead, the government has chosen cutbacks in health and social services. It has concentrated on the weakest members of society, those who have little public voice and whose needs are little understood: Disturbed children; welfare recipients; people in old folk's homes and nursing homes; single parents needing day care and so on.

In the health field it has cut back hospital budgets to the point where services will be seriously impaired and staff has to be laid off. It has closed down valuable community hospitals and public labs. It has increased the residency period from five to 10 years for senior citizens who qualify for GAINS, which means that many will have to go on lower-paying welfare for many years.

These cutbacks do not represent large sums of money and are not very significant in the overall budget. But they are highly visible and designed to indicate that the government is doing something about inflation. It is; it is fighting it on the backs of the poor and the disadvantaged.

We cannot support such cutbacks, because they are very damaging to society. They reversed years of developing a humane response to the less fortunate. They turned their backs on the trend to making health care a community resource.

If sufficient cutbacks of the other kinds had been made, the money would be there for maintaining these vital services. In the health field there are probably enough savings to be made internally by redesigning delivery systems, eliminating unnecessary surgery, bringing lab costs under controls and restricting the overuse of beds by physicians and other abuses of medicare.

In the social services field the total cutback probably amounts to \$25 million. There is far more than that amount in the waste which the government hasn't eliminated. The government's own internal expenditure restraint looks good on paper but one wonders how serious it is.

For instance, the Treasurer tells us that the civil service complement has been cut by 3,200 persons from the 1974 level. But he doesn't tell us how many casual and contract employees were on staff at the two dates he is comparing. So we only have part of the picture. We do have figures, from a question in the House, which showed that in July, 1975, contract and casual employees accounted for 29 per cent of total public service employees. In the winter the figure goes down, but we do not know whether the regular employees who are being cut back are being replaced by contracts and casuals.

The freeze on hiring may be depriving ministries of key replacements. Cutbacks such as the firing of the educators who explain the highly technical displays at the Ontario Science Centre may make the exhibits worthless as an educational tool. And the report last week that the Ministry of Natural Resources did not intend to provide any beach patrols at provincial parks this summer, indicates another cutback of the wrong kind, one which may cost lives. Moreover, one has a feeling that the tight reign on travel, hiring, computer time, supplies, furniture and so on, will be let go when attention has been diverted from the restraint programme, and the bureaucracy and high spending will take over again.

To the extent that the trimmings of the government bureaucracy and wasteful expenditures are real, it is an indictment of the government's past lack of control. The same can be said for the need for an embargo on year-end spending by the ministries. Why have they been allowed this practice in the past? Once again, I say that a government which permitted spending excesses and overblown bureaucracies to grow is not fit to govern.

The Treasurer's claim that he has almost met this target of keeping expenditure increases down to 10 per cent is another exercise in slight-of-hand bookkeeping. When he announced that target in December, he was talking about budgetary expenditures. But when he boasts of an expenditure increase limited to 10.4 per cent in the budget, he is now talking about budgetary and non-budgetary expenditures together.

[4:00]

Hon. Mr. McKeough: As I was in December, totalling \$12.512 billion.

Ms. Bryden: The totals which he showed at the slide show in December included only budgetary expenditures. The ministry released it.

Hon. Mr. McKeough: Budgetary and non-budgetary, totalling \$12.512 billion.

Ms. Bryden: I recall the table which the provincial Treasurer showed to some of the restraint meetings showed a 10 per cent target showing only budgetary expenditures.

Hon. Mr. McKeough: No, \$12,512 billion total budgetary and non-budgetary.

Mr. Lewis: Considering the way you played around with the OHIP premium stuff in your budget statement there's a lot of deception taking place, so we'll just trust our colleague to deal with you in the shambles in which you function.

Hon. Mr. McKeough: You really should do more listening.

Mr. Lewis: I was listening very carefully. I most certainly am, my friend. And we're getting a little anxious over what's emerging.

Mr. Speaker: Order.

Mr. Foulds: How come there are none of the Treasurer's colleagues on the front benches to support him?

Mr. Speaker: Order, please.

Ms. Bryden: Looking back at budgetary expenditures only—and really they are the ones that should be taken into account because non-budgetary are extremely difficult to predict and usually turn out to be quite different from the figures in the budget anyway—in actual fact the provincial Treasurer is planning an increase of 11.7 per cent in budgetary expenditures, which is considerably above his 10 per cent target and sharply above the 7.8 per cent increase which he is allowing for grants to local governments.

I have pointed out only a few of the shortcomings of the budget but perhaps the members opposite would like to know what we would have done. Our budget philosophy differs sharply from the government's. The provincial Treasurer in his first budget in 1971 did categorize it as "an imaginative and forceful fiscal plan for Ontario" aimed at restoring full employment and economic growth and assuring attainment of other priorities. But in subsequent budgets he interpreted this role narrowly, limiting it to fostering maximum expansion in private sector activities.

In 1976, this same approach of fostering growth through the private sector only is the sum of his policy. Let me quote from page 21 of his budget. He says:

It provides for non-inflationary growth and private sector expansion in Ontario by controlling the use of public resources.

This means that he fights recession with one hand tied behind his back. In fact, he states categorically that he has concluded that "the Ontario economy does not require government stimulation at this time."

Mr. Lewis: Unemployment went up today.

Ms. Bryden: That is correct. The rate for Canada went down but the seasonally adjusted rate for Ontario went up—

Mr. Lewis: Of course, and will continue.

Ms. Bryden: —from 5.9 per cent in February to 6.2 per cent in March.

Mr. Lewis: Quite a record.

Ms. Bryden: We disagree with this approach to budgets. We believe that budgets should be more than an accounting of revenue and expenditures. They should be a creative instrument of government planning in which the government assesses the needs of the province and takes the lead in involving both the public and the private sector in meeting those needs.

Our first move would therefore be to increase productivity and create jobs and to put our human resources to work. This cannot be done overnight, we admit, but it will add to the GPP and provincial revenues in time. But immediate jobs could be created by making funds available for the municipal and school projects which have been put on the shelf this year. A reordering of priorities could provide some of these funds. Eliminate the Highway 400 extension and the Spadina Expressway. Perhaps some of the ODC grants could be reduced or eliminated.

Interjection.

Ms. Bryden: Curtailment of government advertising and publishing budgets would produce additional funds.

Other jobs could be created by increasing public housing construction in order to provide more housing at reasonable cost and take the heat off house prices and rentals.

We might look at increased pollution control measures and industrial health and safety changes in plants which are desperately needed. Some of these changes could be charged to the industries which are responsible for the conditions but effecting these changes would create work.

Our second move would be to bring all energy prices under provincial control. Energy

is the lifeblood of our economy and its costs are reflected in every product, every home, every institutional and government expenditure. We must have all our energy prices controlled by one marketing board. We recognize that we do not have full control over the prices of products which we import but we can bargain better if we have one marketing body for the whole province planning our energy resources and their use.

Our third step would be to start to plan now for changes in delivery systems of our services to people. No doubt health care can be provided in less costly ways. No doubt some social services can be phased out or reduced if adequate programmes are offered to get people off welfare or if preventive services are available. It can't be done by the shotgun approach of this government which results in money-wasting unplanned cutbacks. It won't be done after hospitals are closed and staff dispersed to the four winds or to foreign countries.

Where will we get the money for this kind of programme? It won't necessarily cost all that much because some of it will be reordering of priorities; some of it will be cost saving; some of it will create employment which will produce growth in the tax revenues and savings in welfare costs.

Money for investment in housing and in new industries based on our resources can come from a redirection of our investment capital. We don't need as much capital going into huge office towers or shopping centres but the government has to step in and insist that financial institutions set aside a certain percentage of their investment funds for the high priority social investments which I have mentioned. They will pay for themselves over time as rent is paid, productivity is increased and exports are increased.

I do not believe that we need to increase the deficit by one penny in order to implement our kind of budget. The present deficit of \$1.22 billion is manageable and leaves our debt still below the nine per cent of GPP considered reasonable by the Smith committee on taxation.

Let me outline the kind of alternative actions we might consider to the present budget. First, as I have already suggested, we would not increase OHIP premiums and could obtain \$220 million of the \$228 million expected from them by eliminating the sales tax exemption on production machinery and equipment.

That seems to be an eminently reasonable and sensible approach. We would also restore the damaging cutbacks in the rate of social

security transfers to local government and institutions and Children's Aid Societies. We estimate that would cost about \$25 million.

In order to get some immediate action on the job front to counteract the rising unemployment rate, we would restore some of the capital projects cut from the budgets of local bodies this year. We could allot \$50 million to this move and cover both it and the social security needs which I mentioned, by a one percentage point increase in corporation tax which, as I said earlier, yields about \$80 million a point. That also seems like a reasonable trade-off.

We would also restore some hospital budget cutbacks and ensure that viable community hospitals were enabled to stay open. We think that the \$40 million needed for this could be obtained by eliminating waste in the health delivery system, cutting out duplication in teaching hospitals, controlling lab fees, and attacking abuses in medicare payments which permit some physicians to earn as much as \$228,000 a year.

If our fears that municipal tax increases are going to rise by as much as 15 per cent are confirmed, we would like to look at means of finding additional money for unconditional grants which could contain the tax increase to no more than the rate of inflation. That is all the property tax owner should be expected to bear or can possibly bear. Many of them cannot even bear that if their own incomes have not gone up with the rate of inflation.

We figure that to reduce average municipal taxes across the province by one percentage point will cost about \$25 million. The money could perhaps be found by eliminating some of the waste which is still evident in many ministries, instead of increasing the deficit.

Mr. Speaker, you will note that we are not suggesting any new programmes without also suggesting how they could be paid for. We believe there is money available to this government for other new programmes, such as a farm income stabilization plan, and I will outline some of the potential sources of revenue later. It seems that the principal kind of restraint that the Treasurer is practising is restraint on taxing those with real ability to pay, those who have benefited from inflation, from windfall profit gains, from land speculation.

Let me cite the figures showing the government's taxing priorities. In the 11-year period since 1965-1966, corporation taxes as a percentage of total government revenue have gone down from 17.5 per cent to 10.4 per cent. Personal income taxes, including the

federal revenue guarantee which was to compensate us for federal income tax cuts, have gone up from 20.2 per cent to 21.5 per cent. Retail sales taxes have gone up from 15.4 per cent to 19.1 per cent. Succession duties have gone down from 3.9 per cent to less than one per cent; actually 0.6 per cent. Mining profits tax has stayed almost level but it now yields only 0.9 per cent of total revenue. Gasoline and motor vehicle fuel taxes have gone down from 17.4 per cent to 5.7 per cent.

This government has joined forces with those who have the ability to finance our needed public programmes but who are unwilling to contribute their share. They are evading that responsibility by peddling the theory in every luncheon speech and shareholders' meeting and in the media that government spending is the main cause of inflation. The public, in search of a scapegoat and somewhat misled by these speeches and statements in the media, has bought this simple answer to inflation.

[4:15]

Let me assert that wasteful spending by government and the private sector is the real cause of inflation, and since three-quarters of our goods and services still are used by the private sector, the potential for waste there is three times as great as in government. Huge office towers are inflationary because they bid up labour and material costs, office overheads and mortgage rates. Business high living is just as inflationary as government high living, since it all gets passed on in prices; but there is no official opposition in the board rooms of the nation to ferret it out and bring this misuse of our resources under control.

Mr. Speaker, we oppose the wasteful use of our resources by either government or the private sector. The first attack on inflation is to attack that waste. By accepting the conventional myth that government spending is the cause of inflation and cutting spending, whether it is beneficial or not, this government has made an unholy alliance with those who seek to escape paying a share of their increased income for our collective needs. As a result, we have private affluence and public squalor, as John Kenneth Galbraith characterized it.

Along with our highly capable research department, I have made a study of the potential sources of revenue which this government might tap if it had the will and the desire to bring in the kind of programmes which this province desperately needs to get its economy operating at full potential. Let me run through some of them and the revenue potential they have.

But let me make it clear that I am not saying that we would adopt any of them the minute we were elected, or even that we would adopt any of them at some time in the future. What I am saying is that they are there if money is needed for valuable new programmes essential to the health and well-being of this province.

Take corporation tax, for example. Each percentage point yields about \$80 million; and our present rate is 12 per cent. BC is at 15 per cent; Newfoundland at 14 per cent; and Manitoba at 13 per cent.

Look at capital gains. When the federal government finally heeded our urging and got around to taxing capital gains, it limited its tax to only half of capital gains. We see no reason for preferential treatment for dollars arising from stock market or other speculations and those earned in employment or business. As was said by Mr. Carter, the head of the royal commission on taxation, "a buck is a buck."

Mr. Reid: Well, that's not exactly true. That's what got us into a lot of problems—right?

Mr. Good: That is what Stan Randall used to say.

Mr. Reid: The only one who believes "a buck is a buck" is a dope.

Ms. Bryden: If the province moved into the untaxed half of capital gains—

Mr. MacDonald: You're still in the woods.

Ms. Bryden: —and applied the full federal-provincial tax rate, which they are now escaping, the provincial Treasurer could raise \$158 million by the time the capital gains tax matured. It takes about five years for such a tax to mature, since the gain depends on base year. If we held the tax to the Ontario income tax rate alone the provincial Treasurer could still get an estimated \$37 million.

There is additional revenue available also from taxing the other half of capital gains under the corporation income tax. Taxing them at the full corporate rate of 48 per cent, \$187 million could be obtained. Taxing them at the Ontario corporation tax rate of 12 per cent would raise \$47 million, with an additional \$4 million for each extra point of corporation tax.

This is a tax field which the federal government has left vacant. If we moved into it other provinces would likely follow, so we would not be less competitive. While incentive arguments may be raised against it,

capital gains tax does have the advantage that deductions for losses are allowed and therefore encourages risk taking.

While we are looking at corporation taxes, we might consider the capital tax in Ontario. The rates have not been increased since 1973. If we doubled the rate, which is one-fifth of one per cent, we would raise an additional \$120 million, less a loss of \$14.4 million in corporation income tax revenue since it is a deductible expense, for a net of \$105.6 million in additional revenue.

Ontario's sales tax at seven per cent is at about the mid-rate in Canada. The Atlantic Provinces and Quebec are now all at eight per cent, while the western provinces—except Alberta, which has no tax—run at five per cent. Each point in Ontario yields \$275 million.

Mr. Speaker, we don't favour any further increase in the sales tax rate, because we do not consider it a progressive tax. However, some additional revenue could be generated by eliminating the present exemption for production machinery which, as I mentioned, will cost \$220 million this year and \$82 million next year, for a total of \$410 million.

Mr. Lewis: That's just ridiculous.

Ms. Bryden: We could also obtain an extra \$19 million if we reimposed the tax on some production equipment which was exempted in 1970. There might also be added revenue from a higher rate of sales tax on a few luxury items such as big, gas-guzzling cars.

Our gasoline and fuel oil taxes are also at about the midpoint compared with other provinces. Each one cent of gasoline tax raises about \$27.5 million, and each one cent of motor vehicle fuel tax brings in \$2.8 million. These taxes have not been raised since 1972. Last year, these taxes were eliminated for industrial, commercial and institutional uses. We could eliminate this exemption, which mainly benefits corporate consumers, and regain the \$19 million in lost revenue.

With regard to the mining profits tax, it is virtually impossible to identify the base for this tax because of the methods of calculating taxable profits. We can get an estimate of a potential amount that could be raised if we scrapped the mining profits tax entirely and substituted a combination of a tax on production income in Ontario and a tax on mineral reserves. For example, a 15 per cent tax on production income of \$2,340 million in 1975 would yield \$351 million. This covers metals, non-metals and industrial materials such as sand and gravel. A 10-cent-per-ton tax on

reserves would yield \$38 million from Inco alone and \$100 million from the whole province. These figures are minimal amounts. The Treasurer expects to get a mere \$100 million from the mining profits tax this year, or about 0.43 per cent of the value of production. Taxes at even half the above rates would more than double this yield.

With regard to tobacco taxes, even with the 57 per cent increase in the budget, we are still below Newfoundland and Prince Edward Island in the rate of tax. Ours works out to 0.71 cents a cigarette, Newfoundland is at one cent, and PEI is at 0.80 cents. If we raised the tax to one cent, we would raise an additional \$38 million. As I mentioned, cigars and pipe tobacco were omitted from the budget increase this year. If they were increased by 50 per cent, an extra \$15.5 million could be obtained. That's part of the gift to the cabinet, I guess.

Mr. Deans: But then the Treasurer would have to pay it.

Mr. Ferrier: How come you let yourself off the hook on that tax, Darcy?

Ms. Bryden: With regard to liquor the province expects an 18 per cent increase in LCBO profits after imposing a \$50 million price increase this year. Liquor prices in Ontario are still not the highest in the country so there is probably some additional potential in this field. The health argument gives some justification for further increases. We get about \$7 million from each percentage point we increase prices.

Looking at succession duties, this is a field which the province has been downgrading although most people agree that the taxation of transfers of wealth between generations is an essential part of a society with egalitarian objectives. Succession duties are expected to yield only \$62 million this year and have dropped from \$88 million in 1973-1974.

Most of the loss has been due to explicit changes in the Act. With some of these we do not disagree but we feel that the province's tax take, as a whole, should not be eroded by changes which are made to bring the succession duty system up to date or to accomplish other policy objectives. Therefore, we suggest that succession duties might be adjusted to offset the revenue lost from any liberalization of the Act. If the succession duty system of 1970 were in effect now, we would be raising at least \$120 million from this source—\$58 million more than we are now raising. We feel that this could still be done by transferring tax burdens within the system.

Looking at the land transfer tax, this tax has generated significant revenue in recent years. It was last revised in 1972, outside of the addition of the foreign land transfer tax in 1974. If we raised the rates by 50 per cent, revenue would go up by \$27 million. The tax payable on a \$60,000 house would go up by \$145. In today's high house-price market this would be quite a blow to new home buyers so we do not really favour an increase here.

The foreign land transfer tax, which was introduced in 1974, is another potential source of revenue but so far it appears to have generated very little revenue because of the exemptions allowed. Only two per cent of the 1975 fixed revenue from the land transfer tax came from the foreign tax. Until we know more about the exemptions allowed, it is difficult to talk about raising more from this tax.

The land speculation tax is expected to produce only \$4 million in this year which indicates that the tax base is very small. The tax should, in our opinion, be reviewed to see if its nature can be changed to recapture some of the gains which speculators are still making on lot prices going into production today.

The motor vehicle registration fees now raise \$220 million. They were last raised in 1972. We could suggest some fixed percentage increase such as five per cent which would yield \$11 million or we could redesign the system to tailor fees to energy efficiency, to the value of the vehicle and to other factors in order to put fees on a more rational basis.

The race track tax is another source which has a potential for increase. Each point of the seven per cent parimutuel tax raises \$6.3 million.

These are only some of the potential revenue sources which are available to the government if it wants to introduce worthwhile new programmes and still not increase personal income taxes, sales tax rates or OHIP premiums but I am not advocating this series of tax increases. I am simply telling the provincial Treasurer that we have looked at all the potential sources of revenue and there is money available for whatever programmes he thinks should be introduced. He does not need to say that we cannot afford worthwhile programmes.

[4:30]

There is also a potential \$60 million coming from Wintario this year, plus \$32 million unexpended from last year, although some of it, I understand, has been committed. Some of this revenue could be used for new pro-

grammes, if the legislation governing the purposes for which the Wintario money can be used was changed. I urge the government to look at this growing source of revenue. At present, the uses are limited by the Act to recreational and cultural activities.

Mr. Lewis: I think, given the amount, we are wondering about it.

Ms. Bryden: Because of the time at my disposal, I have touched only briefly on some issues raised by the budget. But my colleagues will follow in the next few months with more in-depth comment on these issues. We have a strong shadow cabinet in the NDP caucus. Our total contribution to the budget debate will outline what sort of a budget the people of this province can expect when they complete the job begun in September and turn this province over to the official opposition.

Hon. Mr. Bernier: Heaven forbid!

Mr. Maeck: You are dreaming too.

Mr. MacDonald: That's what you said last time.

Mr. Lewis: Well, heaven opened up last time. Who knows what will happen next?

Hon. Mr. Bernier: We don't want a repetition of BC here.

Mr. MacDonald: When they get the gun laws on you, you are going to be in retreat.

Mr. Deans: How did you make out, by the way, with the Attorney General (Mr. McMurtry)? Did you have a quiet chat?

Mr. Speaker: We will have the hon. minister for Beaches-Woodbine continue her remarks.

Mr. Lewis: Well, she has already supplied the shadow cabinet. You are right. It's a natural assumption to call Marion a minister.

Mr. Speaker: It seems to me there is an extra microphone on.

Mr. Lewis: There is every microphone on. We haven't even been able to have a private conversation over here because of these microphones. You can't do anything about it. They have 1,000 microphones in the United Nations General Assembly and each of them works, and individually. What's wrong with Ontario?

Mr. Speaker: I might inform the hon. Leader of the Opposition that by next Tuesday I am promised everything will be in place.

Mr. MacDonald: We need a new government.

Mr. Speaker: The hon. member for Beaches-Woodbine.

Ms. Bryden: That event that I just mentioned about when the turnover in government occurs, it would appear, will not occur very soon since the leader of the third party has already announced he will not support any want of confidence motion based on the budget unless "it is a really dreadful budget." He hasn't defined what he considers really dreadful. But he may have to look at our amendment very carefully to see if he can in fact support the points it raises in criticism of this budget.

We are not introducing an amendment simply to challenge the third party over there to bring down the government. We have studied this budget very carefully and have concluded that it fails to meet the urgent needs to control inflation by getting the economy operating at full capacity and using our human and natural resources to the utmost.

As a responsible opposition we must make this clear and propose an alternative prescription. We would like to see the government change its course and at least try some of our proposals before we have another election, but we cannot abdicate our role as the opposition because an election may occur.

Mr. Ruston: You don't want an election now. You have changed your mind.

Ms. Bryden: Minority governments can work for a period of time—

Mr. Ruston: Didn't the member for Windsor-Riverside (Mr. Burr) say he wants a two-year guarantee of tenure?

Ms. Bryden: —if the government in power is prepared to be flexible.

Mr. Ruston: We never had a guaranteed tenure yet.

Ms. Bryden: We would like to give them a chance to show what they can do but they must be a more responsive government—responsive to the jobless, responsive to property taxpayers, to those in need of reasonably priced houses, to the weak and the poor, to northerners and others in disadvantaged regions, and to farmers and the alarming loss of our agricultural land.

Mr. Speaker: Ms. Bryden moves, seconded by Mr. Lewis, that all the words after "that"

in the main motion be struck out and the following added:

This House regrets the introduction of a budget responding only to the fiscal impasse of a government which, having over-borrowed and overspent during its four years in office, recorded an election-year deficit approaching \$2 billion; and regrets the paralysis of the government when faced with 250,000 people unemployed and the passive acceptance of a continuing unacceptable rate of unemployment in excess of six per cent;

And regrets the most inequitable feature of the budget, the increased premiums for health care, which highlights the preoccupation of this government with unfair and regressive taxes without considering existing and other alternative sources of revenue; and regrets the choice by the government of policies dictated by this impasse and paralysis which fail to create jobs and which cut back vital programmes in health, education, and social services, causing more unemployment, and which force regional and other municipal governments and school boards to increase taxes on property;

And regrets the failure of the government to introduce programmes stabilizing the income of farmers, preserving land for agriculture, making available medical, dental and other social services within a basic economic framework in northern Ontario, particularly in unorganized municipalities, in any way comparable to southern Ontario, providing the incentives and opportunities which would stimulate the ordinary economic development of eastern Ontario, protecting the health of people working in our industries, meeting the needs of public transit in the regions, towns and cities, producing quality housing at reasonable prices, and reducing the dependence of our natural resource industries on foreign capital.

Ms. Bryden: Mr. Speaker, we have lost the confidence of this government.

Mr. Shore moved the adjournment of the debate.

Motion agreed to.

Mr. Lewis: Do we not have a vote any longer in this House?

Clerk of the House: The 12th order, resuming the adjourned debate on the motion for second reading of Bill 51, An Act respecting the Central Algoma Board of Education and Teachers Dispute.

CENTRAL ALGOMA BOARD OF
EDUCATION AND TEACHERS
DISPUTE ACT
(continued)

Mr. Speaker: I believe the debate on this had been completed and we have to place the motion, is that right? Had the minister summed up on it? Are we still debating it then?

Mr. Renwick: We are still debating Bill 51.

Mr. Lewis: Mr. Speaker, I just can't handle this unless the House leader (Mr. Welch) himself takes control; please don't second it to the Minister of Revenue (Mr. Meen). Now where are we in this situation?

Hon. Mr. Welch: Mr. Speaker, I thought it was generally agreed that we would resume the debate on second reading of Bill 51 and get it into committee. It was my understanding the member for Kitchener-Wilmot (Mr. Sweeney) had carriage of the debate.

Mr. Lewis: Where is John?

Mr. Foulds: That's correct, Mr. Speaker, the member for Kitchener-Wilmot had adjourned the debate.

Hon. Mr. Welch: We'll have to have a bell to divide on the Minister of Revenue's bill with respect to GAINS, and we perhaps could do that just before 6 o'clock, if we could wind up this discussion, then we go into committee to do all the committee work tonight.

Mr. Speaker: I understand the member for Kitchener-Wilmot had the floor but he's not here. Do any other hon. members wish to speak to this bill? Is the hon. member for Peterborough (Ms. Sandeman) rising to speak?

Mr. Foulds: I want to speak on the bill.

Mr. Good: He has gone to get the member for Kitchener-Wilmot.

Hon. Mr. Welch: Why doesn't the member for Port Arthur go on then?

Mr. Foulds: I want to speak on the bill if they wish to do so.

Hon. Mr. McKeough: Well, we wouldn't want to miss them.

Mr. Speaker: May I ask if the hon. member for Kitchener-Wilmot was in the midst of his remarks or did he just adjourn the debate?

Mr. Foulds: He just adjourned the debate, Mr. Speaker.

Mr. Speaker: He can pick up at any time then. If there's another hon. member who wishes to speak on this—

Hon. Mr. Welch: Go ahead. The hon. member for Port Arthur.

Mr. Foulds: Can I have a minute, Mr. Speaker—

Mr. Speaker: Yes. The hon. member for Port Arthur.

Mr. Foulds: —because I do want to submit a reasoned amendment on a more recent bill, if one of the pages could carry it; it's not on this debate but on another bill.

Interjections.

Mr. Speaker: Order, please. There may be agreement to change the programme.

Hon. Mr. Welch: Mr. Speaker, perhaps to provide some time for hon. members to get in their places, we might proceed to divide the House with respect to the 10th order and then we can get into the education bill. With your permission, I would call the 10th order, please.

Mr. Lewis: Call in the members.

Clerk of the House: The 10th order, resuming the adjourned debate on the motion for second reading of Bill 47, An Act to Amend the Ontario Guaranteed Annual Income Act, 1974.

ONTARIO GUARANTEED ANNUAL
INCOME AMENDMENT ACT
(concluded)

Mr. Speaker: I understand the debate on this had been completed and the minister had concluded his remarks, so it's a matter of placing the question.

Hon. Mr. Meen: No, I had not quite finished.

Mr. Speaker: Oh, I'm sorry.

Mr. Lewis: It was a disgraceful apology for discrimination. Your whole speech—

Mr. Speaker: Order, please. The hon. minister will complete his remarks then, and other people will kindly keep out of the debate.

Mr. Lewis: This bill should not proceed. This particular bill should be withdrawn.

Mr. Speaker: Order, please, by the hon. Leader of the Opposition.

Hon. Mr. Meen: I recognize the merit, Mr. Speaker, in some form of staging—

Mr. Lewis: Staging?

Hon. Mr. Meen: —of the winding-down of benefits in the five-to-10-year residency category.

Mr. Lewis: Winding-down? It is a bill of simple discrimination.

Mr. Speaker: Order, please.

Hon. Mr. Meen: Although preliminary examination by my staff to date of various avenues we might use to approach that problem aren't all that optimistic, we're still looking at that and—

Mr. Lewis: Withdraw the bill then; only you can do it.

Hon. Mr. Meen: —I do invite assistance from the hon. member for Waterloo North (Mr. Good), who made the suggestion in the first place. I'd invite him, if he has any thoughts on a way in which this might be accomplished, to offer them to me—

Mr. Lewis: What do you mean? He raised it because it is a deficiency—

Mr. Speaker: Order, please. The hon. Leader of the Opposition will please restrain himself.

Hon. Mr. Meen: —when we get the matter into committee.

Mr. Speaker: The debate having been concluded, I now place the question. The motion is for second reading—

Mr. Lewis: This is a shameful bill. There hasn't been a bill for a long time that—

Mr. Speaker: Order, please.

Mr. Good: You weren't even here.

Mr. Lewis: That's right. I wasn't here. But three of our members put our position.

Mr. Speaker: Order. Order!

Mr. Good: You weren't even here to talk about it.

Mr. Lewis: You should be voting against this bill. This is a ridiculous bill.

Mr. Speaker: Order, please. Don't force the Speaker to take further action. I've

asked for order. Could we get on with the business of the House, please?

The motion is for second reading of Bill 47, and there was a reasoned amendment placed by the member for Algoma (Mr. Wildman), I believe—

Mr. Lewis: No, not on this bill.

Mr. Renwick: No, this is for second reading of Bill 47.

Mr. Speaker: Oh, yes, I'm sorry. I'm still mixed up on this thing. The motion is for second reading of Bill 47.

The House divided on the motion for second reading of Bill 47, which was approved on the following vote:

AYES

Auld
Belanger
Bennett
Bernier
Birch
Breithaupt
Brunelle
Conway
Davis
Drea
Eakins
Eaton
Edighoffer
Ferris
Gaunt
Givens
Good
Gregory
Grossman
Haggerty
Hall
Handleman
Henderson
Hodgson
Irvine
Johnson
(Wellington-
Dufferin-Peel)
Jones
Kennedy
Kerr
Kerrio
Lane
Leluk
MacBeth
Maeck
Mancini
McCague
McKeough
McKessock
McMurtry

NAYS

Bain
Bounsall
Breaugh
Bryden
Burr
Cassidy
Davidson
(Cambridge)
Davison
(Hamilton
Centre)
Deans
di Santo
Duksza
Ferrier
Foulds
Germa
Gigantes
Godfrey
Laughren
Lawlor
Lewis
Lupusella
MacDonald
Mackenzie
Makarchuk
Martel
McClellan
Moffatt
Philip
Renwick
Sandeman
Swart
Wildman
Young
Ziemba—33.

AYES
 McNeil
 Meen
 Morrow
 Newman
 (Durham North)
 Newman
 (Windsor
 Walkerville)
 Norton
 O'Neil
 Parrott
 Peterson
 Reed
 (Halton-
 Burlington)
 Reid
 (Rainy River)
 Rhodes
 Riddell
 Rollins
 Roy
 Ruston
 Scrivener
 Shore
 Singer
 Smith
 (Hamilton
 Mountain)
 Smith
 (Hamilton West)
 Snow
 Spence
 Stephenson
 Stong
 Sweeney
 Taylor
 Timbrell
 Villeneuve
 Welch
 Wells
 Williams
 Wiseman
 Worton—73.

Clerk of the House: Mr. Speaker, the "ayes" are 73, the "nays" are 30.

Motion agreed to; second reading of the bill.

Mr. Speaker: I understand this to be ordered to committee of the whole House?

Hon. Mr. Meen: Committee of the whole House.

Agreed.

Clerk of the House: The 12th order, resuming the adjourned debate on the motion for second reading of Bill 51, An Act respecting the Central Algoma Board of Education and Teachers Dispute.

CENTRAL ALGOMA BOARD OF EDUCATION AND TEACHERS DISPUTE ACT (continued)

Mr. Sweeney: Mr. Speaker, here is the third bill of this type presented to this House. With the Metro Toronto bill the teachers had been out for 38 days; with the Kirkland Lake bill they had been out, I believe, 44 days; and here we have a group of teachers out for 35 days. At the risk of repeating myself, I would point out once again that, surely, after two experiences we can expedite these situation more quickly.

[5:15]

I would also repeat that the situation in a northern Ontario community is even more precarious, for the students particularly, than it is in a large metro area. In a metro area the students do have the opportunity of alternative—

Interjections.

Mr. Speaker: Could we have a little order, please.

Mr. Sweeney: The students in a metro area do have an opportunity of alternative educational experiences. There are such things as the art galleries and the museums whereas in a northern community there are none. The students also have the opportunity of short-term employment. The same kinds of opportunities are not available in the north.

More important, in this situation we have a school which is on the semester system and therefore 35 instructional days are equivalent to 70 days of a normal school year. We are talking here of the students being out for almost 40 per cent of a normal school year.

I think, once again, it is difficult for us, as members of this Legislature, to justify either to the students or to their parents that they can be absent from their class for 40 per cent of their instructional time and no serious action has taken place.

I would like at this time to congratulate the teachers of this board for going back willingly into the classrooms rather than waiting for this Legislature to order them back. I understand, of course, that there are undoubtedly certain pressures on them to do so. The fact remains, however, that they did consider the welfare of their students and go back on their own and they need to be congratulated for that.

I would also take this opportunity to congratulate the minister and the government for bringing in a move that is slightly more in-

novative than the past two. Unlike some previous speakers, I do not agree that final offer selection is a less worthy method than compulsory arbitration.

Compulsory arbitration surely has been with us as part of labour negotiations for many years and while it is one method of solving them it certainly has not proved to be the best method. Final offer selection has not been with us very long but it does show some sign of a more innovative approach to labour negotiations.

For one thing, I believe that at least it compels the two sides to be somewhat more honest with each other than does compulsory arbitration. By its very nature arbitration almost forces the two sides to be as far apart as they possibly can. The employer tries to be as low as he can, the employee tries to be as high, knowing that the normal pattern is for the arbitrator to settle somewhere in the middle.

Final offer selection, on the other hand, demands that the two sides do everything they possibly can to get as close as possible and, on their own, to resolve as many of the differences as they possibly can because they know that the selector is going to take one of the two total packages without making any changes whatsoever.

If anything, this Legislature, at least in this period when we're trying to find out if there are better ways to resolve labour disputes, certainly should be encouraging an approach which allows the two sides, as much as possible, to settle most of their differences before they go to a third party. I would certainly say that although there may be some difficulties with final offer selection, it is more innovative; it is more honest. It is more directly bearing upon the sides themselves, rather than on the interference of a third party, which none of us really want in the final situation but which as we have seen in several occasions becomes necessary.

I would, therefore, just say to the minister one more time, and maybe that's what we're going to see in the legislation he's going to bring forward tomorrow, that we have learned from our experience, that although there are two sides in this dispute that have a very personal claim to our attention, there is also a very important third party which makes it so different from any other kind of labour dispute; and that is the innocent party, the students and their parents. By its very nature, this is a much more significantly different kind of labour dispute. We simply cannot permit them to go on as long as we would in other kinds of labour disputes. I

say it is significantly, peculiarly different and must be treated differently.

Mr. Deans: I don't have very much to say about this bill but I want to recall to the minister's mind comments that I made on a bill not so many weeks ago, in which I stated that I had a very uneasy sense that we were becoming trapped in this Legislature into positions which would require us to deal, time after time after time, with labour disputes in the Province of Ontario; particularly within the educational field at the moment, but no doubt they would extend outside education at some point and this Legislature would be required to deal with those too.

I don't think we're helping the board, I don't think we're helping the teachers; and I don't think, in the long run, we're helping the parents or the children by allowing ourselves to be put in the position, as frequently as we have in the recent past, of having to deal with the resolution of a labour dispute.

The boards of education are elected just as we are elected and they're answerable to their electorate as we are answerable to our electorate. The boards of education and the teachers have got to find ways to solve their own problems. They can't expect that other elected representatives will be forever bailing them out when they come to an impasse in the contractual negotiations that are taking place. They can't sit secure with the feeling that, even though they are intransigent, even though they fail to recognize the validity of one or the other positions being put forward and even though they fail to move repeatedly forward to recognize reality, this Legislature will either be called back from recess or will be required to come to order and deal with a bill sending the teachers back to work and resolving the dispute.

I frankly feel this is wrong and that we're undermining the very powers we give to the boards of education and the responsibilities we give to the teachers. I don't believe it is our job to be constantly dealing with these disputes. There are any number of emergency matters that arise in the Province of Ontario, matters which have a long-lasting detrimental effect to the welfare of people in many sectors and many segments of this province, and yet rarely, if ever, do we see legislation brought in requiring the Legislature and the members of the Legislature to deal with it.

I say to the minister that I'm convinced as I stand here that if we made it clear as a Legislature that we had no intention of dealing with the disputes the boards and the teachers get themselves into, that we had no

intention of sitting and providing for them a resolution to the things which they themselves could easily resolve if they were required to, if we made it clear we didn't intend to do those things, you would find that boards and teachers and others negotiating would then sit down and find a way to solve their own problems.

If we had appointed the boards of education, then I would say yes, we have a responsibility for them. If we somehow or other exercised jurisdiction over who sat on the boards and the powers they were able to use other than by law, then I would say yes, of course, we should deal with it, it is our responsibility. But these people go out and they campaign from door to door in the constituencies we represent; they ask for the opportunity to sit on the board and to make decisions on behalf of the ratepayers.

One of the decisions they have to be able to make is how to go about resolving the dispute. When the going gets tough, they can't simply turn to us in the Legislature and demand that we do it for them. Maybe the public of Ontario would take more interest in those things which fall within the jurisdiction of school boards if the public of Ontario knew that those people they were electing had to deal, themselves, with the problems they create.

We pass legislation and we make certain things available to people in this province—all different kinds and classes of people—and they can use them or not use them in accordance with their own dictates. But let me tell you, Mr. Speaker, once having passed the legislation and said these are available to them for their use in the resolution of dispute, then we leave it up to them to decide how to solve the problems they create for themselves.

If somehow or other in the process of solving those they cause some harm to be done to the education process in the area they represent, then it is they who should be answerable to the people who elect them for the decisions they have arrived at, for the policies they put into practice and for the teachers they hire. I say to the minister we have got to draw a halt to this; we have got to stop it, because every time we come back to this Legislature to deal with a dispute of this kind we make it infinitely easier for another board and another set of teachers to sit back and wait, knowing full well that inevitably we will be called on to resolve it for them.

I don't agree with the process. If the Minister of Education wants to solve everything,

if he wants to take on the responsibility of deciding everything on the basis of what this Legislature does, then bring education into the Legislature and let's deal with it all. But if he is going to give the powers to local boards to deal with education, to deal with hiring, to deal with policies for their employees, to negotiate collective agreements and to resolve disputes, then let's allow them to do it and make it clear we are not going to be here to solve it for them when the going gets tough.

I just don't agree with what the minister is doing. I think we are going to find ourselves repeatedly placed in the situation that we are now in and that by the end of the year and by the end of next year and two years later, we will be required to deal more and more with the resolution of disputes between teachers and boards simply because they understand that if they don't, we will. As far as I am concerned, we won't.

Mr. B. Newman: I wanted to make a few comments concerning the bill. I could read into the record the attempt on the part of the teachers in the Algoma situation to resolve the issues starting back from Feb. 12, 1975, but I think all members have received that and I am not here this afternoon to assess blame to either of the two parties. My concern is essentially the consumer who is being deprived of an opportunity to further his education in a school system.

We could very easily lay blame on the teachers. We could likewise lay blame on the board. We could maybe even go so far as to say that maybe some of the parents are at fault. But that doesn't resolve the issue if we simply go on blaming one another.

It is also easy to come along and say that the two parties in the dispute must resolve their own problems. That's all well and good. I am afraid, also, as the previous speaker did make mention, that if we always resolve the problems for the two parties, then we are going to find neither of the two sides is going to be too concerned in resolving the issues themselves.

[5:30]

But what does one do, for example, in this situation, where students on the semester programme have been denied education for 35 days? That's the equivalent of 70 normal days in the regular programme in the school. And that's 35 days out of an 85-day or 90-day semester programme. The minister can't tell me that their education has not been placed in jeopardy by such a long period of absence from the benefits of a classroom teacher.

What does one do when both sides reach an impasse and both sides are intransigent? Do we tell them, "All right, bat your heads together and come to a resolution"? They have reached an impasse. Maybe the Education Relations Commission should be reporting to the minister. When the Education Relations Commission finds that the two sides are at an impasse, maybe the intercession of the minister could have some beneficial effects in getting the two parties together once again in an attempt to resolve the issue.

I am extremely disturbed that in this instance 35 days of schooling has been denied to the students. They are suffering, education-wise. That may not be true of students in a phys-ed programme, because they can do push-ups at home—in fact, they may have improved their physical conditioning as a result of not being in a classroom environment—but their academic development is extremely important, and it's extremely important in certain types of education.

For example, the information provided by the OSSTF concerning the Algoma situation makes mention of psycho-motor skills—that is, skills such as typing—which require constant practice over a period of time. It would be all well and good if each student had a typewriter at home and could keep on practising and, as a result, wouldn't miss that amount of schooling; but not everyone has that type of an advantage. As far as that type of a skill is concerned, denying it to an individual or not providing it to him for 35 days does have a harmful effect on the individual's education development. Cognitive skills likewise are adversely affected. There are other skills too where the student is deprived of the development of these skills as a result of a fairly long interruption.

Having been in education for quite some time, I know just one day can adversely affect the education of students, especially if in that one day the educator or the teacher is preparing something that is a basis for a whole series of follow-up lessons. So it is difficult to come along and say that one day doesn't matter at all. In some instances it doesn't, but in others it can have a substantial harmful effect on the educational development of the individual.

Some members mention that we are forcing the two parties to get together. Well, what do we do if neither of the parties wants to resolve the problem on their own? And I know we are going to come into this same position when we discuss another bill, and I would think the other bill actually will affect my own community, where the two sides are

at an impasse. One can come along and justify the position taken by either of the two sides or one can blame both of the sides, but that doesn't resolve the problem. We want the teachers to get back into the classroom.

Mr. Wildman: They are back.

Mr. Renwick: They are back.

Mr. B. Newman: We want the boards to open up the schools. And we want the student to be able to get the education—

Mr. Renwick: They are back. They are back in school.

Mr. B. Newman: Well, I am not only referring to this situation when I say that. I know they are back in the classroom, but in other situations they aren't necessarily back in the classroom. I am fully aware that in the Algoma situation the teachers were the ones who decided they wanted to go back; they wanted to show their good faith and they did show it by going back into the classroom. They are the ones who wanted the type of legislation, or one of compulsory arbitration, really—and the minister has introduced this type so that final offer selection is the avenue used to resolve the dispute. But quite often someone suffers in all disputes.

Now, in this dispute the teachers are suffering financially. They also suffer because they are generally dedicated and want to impart the benefit of their knowledge to the student. But, really, the one who is suffering is the third party, or the consumer—and that happens to be the student who is not being given the education that a normal school year would provide to him.

I would suggest to the minister that maybe Bill 100 should be looked at again in an attempt to improve the legislation so that we aren't always going to have to be coming into this Legislature and putting the opposing sides back to work simply because they have not been able to resolve their differences in the normal fashion.

Mr. Foulds: I'm going to take some considerable time winding up for my party because there are a few things that need to be said in this debate in terms of the principle involved in this legislation and the principles involved in collective bargaining in the educational system of Ontario.

I want to start by saying I do not have a sense of déjà vu in this debate because this debate has been considerably different to the debate that we had in January surrounding the Metro Toronto teachers' strike and the

debate that we had over the Kirkland Lake dispute.

I want to pay tribute to my colleague, the member for Algoma (Mr. Wildman). I was hoping that in his leadoff yesterday he would have been far less modest than he was, because he has spent a considerable amount of time in central Algoma almost as an additional mediator on behalf of the ERC, talking to the ERC, talking to the ministry, talking to the teachers and talking to the boards. And he has done, within his role as a member of this Legislature, everything humanly possible to try to effect a settlement so that the children in that school system in central Algoma could be back in the classroom.

Thirdly, I want to deal with the position of my party and why we are opposing the bill and putting our reasoned amendment. We fully realized as a caucus, when we sat down to discuss the matter in some detail yesterday morning, that we had three choices facing us. We could proceed with the reasoned amendment that we had put on the paper Friday. We could vote against the bill on second reading and move into the clause-by-clause debate and move to have certain sections removed. And we fully realized that we could have supported the bill.

The argument that has been put, of course, is that we should support the bill because this time it's directed against the board. And I think that many members of the teaching profession—I think the minister himself and certainly the members of the Liberal Party—felt that we would support the bill for that reason.

In fact, I have been surprised by some of the positions taken by teachers on the bill, that it was supportable because it was directed against the board. That was indicated certainly in the teachers' statement, the federation update of April 12, in which they stated that the legislation was introduced compelling the school board to go to final offer selection. They also say the legislation makes no mention of the teachers or their federation; its compulsion is directed solely against the board.

I think that what we must say, as a party, is that anyone who thinks we would support compulsory arbitration does not understand our position. We are not, as a party, necessarily pro-teacher or pro-board; or against board or against teachers. We, as a party, are in favour of full and free collective bargaining in the educational sector. We held that position before we introduced Bill 100 into the Legislature and before the federa-

tions themselves came around to that viewpoint.

Mr. Maeck: That isn't what the member from Windsor said.

Mr. Foulds: That is certainly true.

Mr. Bounsall: I certainly did.

Mr. Speaker: Order, please.

Mr. Foulds: I will ignore the interjections and get on with the main thread of my argument.

I remember speaking to a group of public school men teachers in Durham county prior to the watershed development of December, 1973, and suggesting to them they should have full and free collective bargaining rights, including the right to strike. It was interesting that in that speech, when I told these elementary teachers they should have equal pay for equal work with secondary teachers, given equal qualifications, I got loud applause. When I told them I felt the province should move toward an equalization of the grant structure between secondary and elementary teachers, I got loud applause. But when I told them that they should have full and free collective bargaining rights, including the right to strike—in March, 1973—I was soundly booed, hissed and so on. The federation had not come to the position they have now come to and we, if I may be immodest, led the way.

We do not believe in cutting down a good law, Bill 100, even temporarily. We do not believe in cutting down a good law, Bill 100, for a so-called purpose. The reason for that, I think, is succinctly put in Robert Bolt's play, "A Man for All Seasons," about Thomas More, when he is arguing with his son-in-law, Roper, about the necessity and the validity of law.

Roper [to More]: So now you'd give the devil benefit of law.

More: Yes. What would you do? Cut a great road through the law to go after the devil?

Roper: I'd cut down every law in England to do that.

More: Oh? And when the last law was banned and the devil turned round on you, where would you hide, Roper, the laws all being plucked? This country's planted thick with laws from coast to coast, man's laws, not God's, and if you cut them down, do you really think you could stand upright in the winds that would blow then? Yes, I'd give the devil benefit of law for my own safety's sake.

We will give the boards and the teachers the benefit of the good law, the general legislation, for our own safety's sake and for the sake of the safety of the people of our society in Ontario.

If I might use an example or a parallel that smacks, I admit, of some hyperbole, I think it was the great Protestant theologian, Niemoller, of Germany, who said:

When they came for the Communists I would not protest because I was not a Communist. When they came for the socialists, I did not protest because I was not a socialist. And when they came for the Jews, I did not protest because I was not a Jew. And when they came for me, there was nobody left to protest.

[5:45]

Mr. Speaker, we protest. We protest at this time against this particular bill because in principle it's a bad piece of legislation, and because if we don't how can we protest when this government introduces a bill on behalf of Inco or Abitibi against workers?

It's strange the attitude that this government has, as opposed to the attitude that this minister has, toward collective bargaining. The government lets the collective bargaining process as it is outlined in the general legislation run its full course when it suits the government's purposes. In the pulp and paper dispute, for example—which I submit to this House had a far more devastating effect on the lives of this province, both social and economic, than any single teachers dispute has had—this government let that dispute grind on and on and on without any intervention and let collective bargaining take its full course.

Very simply, we are voting against this bill because of the element of compulsion in it. We are fully aware of the irony of the situation. We are fully aware that teachers themselves have agreed—had agreed—to go voluntarily to final offer selection, and we admit that the minister has at least attempted within his frame of reference to meet the needs of this particular situation.

However, where we quarrel and where we differ is that the minister's first act in breaching the general legislation in January was a bad mistake. Doing it in Kirkland Lake compounded that mistake and indicated, and I think we said it at that time, that the danger that was being run was not only the breaching of Bill 100, but that it could possibly encourage both boards and teachers to sit back and let the minister and let this Legislature get them off the hook and let them avoid their just responsibilities.

Bill 100 makes teacher-board negotiations a local matter. We don't think this Legislature should be used to remove that local authority. It is the duty of the local school board to see that the children get the education they deserve. If, as in this case, through irresponsible negotiations the board members are depriving their children of education, that is their responsibility.

The government cannot be in favour of local autonomy in one way—for example, when it lifts the ceilings in December and argues that it gives more local autonomy, and also when it changes the grant structure in such a way that the individual boards can raise additional local levies—and against local autonomy, or centralist, when it brings in special legislation such as this to abrogate Bill 100.

If I might, I would like to read a letter that was written to Canada's so-called national newspaper and printed this morning in which a trustee, Mr. D. C. Thrush from the Hastings county board of education, said this:

The editorial "A Game of Leapfrog," (March 27) brought into sharp focus the role of trustees on boards of education. The editorial was correct when it stated the Ottawa high school teachers used the Windsor settlement as a lever to obtain what they wanted in the way of salaries from the Ottawa board. I disagree with what I consider the implication in this particular editorial that as a result of the salaries given the Windsor and Ottawa high school teachers by their boards, we should now have province-wide negotiation.

Members of boards of education are elected representatives, accountable to the local people for the salaries they pay their employees (including teachers) and as trustees we have no mandate from the voters to shift this responsibility to the province.

And that, Mr. Speaker, I submit is what is happening in this situation in central Algonia; and we are accepting a responsibility in this Legislature which we should not be accepting.

I do want to put forward one small quarrel I have with the minister with regard to his statement yesterday; a couple of comments he made yesterday rather disturbed me. One of them was that this legislation was exactly what the parties wanted. That's true only up to a point. It's true that the teachers want final offer selection and it is true that the

board wants to be legislated back. But the board doesn't want final offer selection—and final offer selection, we should understand, is simply another form of arbitration. It is arbitration and we should understand that.

The minister also said that the legislation has got the teachers back into the classroom. Mr. Speaker, as long ago as last Tuesday at the ERC hearings—and I read the brief the teachers presented to the Education Relations Commission very carefully—they said they would go back to the classroom if there had been an agreement for voluntary binding arbitration of either type, or if there was a negotiated contract; or if negotiations resumed for the weekend they would go back on the following Monday. So that it is not the legislation itself which has the teachers back in the classrooms, and we should understand that.

Hon. Mr. Wells: Oh, yes it is, come on.

Hon. Mr. Rhodes: You had better understand it. It was the legislation.

Hon. Mr. Wells: Right.

Mr. Wildman: They offered to go back before the legislation was brought in.

Mr. Foulds: They offered to go back and they said they would go back without the legislation if—

Hon. Mr. Rhodes: Oh no, they didn't.

Mr. Foulds: Oh yes, they did.

Mr. Bounsall: Voluntarily?

Hon. Mr. Rhodes: You have been too long in Thunder Bay.

Mr. Speaker: Order, please.

Hon. Mr. Wells: I will send you a copy of the letter I received.

Mr. Foulds: I have read the copy of the letter they sent to the minister, that he read into the record yesterday. I also have read their submission to the ERC last Tuesday; and in their submission they said they would go back if one of three things happened.

Hon. Mr. Wells: That's right.

Mr. Foulds: It so happens that the minister chose to introduce the legislation. If one of the other two options had been exercised they would also be back in the classrooms.

Interjection.

Mr. Foulds: And let me point out this to the minister. The mere introduction of the bill sparked the announcement that they would go back, and there is no indication they would withdraw from the classroom should we suspend reading on this bill and not proceed with the vote on principle. There is no indication of that. I want to give the minister his due.

Hon. Mr. Wells: You have missed the point.

Mr. Foulds: I didn't miss the point.

Hon. Mr. Wells: You missed the point and some day I will fill you in—you and your friend from Algoma who didn't know all the details.

Mr. Speaker: Order, please.

Mr. Foulds: Now, I want to give the minister this much credit.

Hon. Mr. Wells: I don't want any credit. I don't need any credit from you.

Mr. Speaker: Order, please.

Mr. Foulds: I know it embarrasses you to have me give it to you. And wait till I wind up this speech—you are going to be ostracized by your own caucus.

Mr. Speaker: Order, please. Will the hon. members direct their comments through the Chair?

Hon. Mr. Wells: Mr. Speaker, he is being provocative.

Mr. Foulds: I want to give him and the ministry this much due, that the bill itself does vary from the patterns we have seen in the past, the last two bills. It does try to adapt to the special circumstances. It does try to deal with this particular situation if—and it is a big if which we as a party cannot accept— if the government believes it necessary to use the full weight and authority of the Legislature to abrogate another bill that this Legislature passed.

I want to turn, if I might for a few moments, to one element which has emerged in the last month and which has really quite disturbed me as it has emerged in the collective bargaining pattern in the educational sector of Ontario. That is the obstructionist view of collective bargaining as is has been expressed in a memorandum of March 8 by the school trustees council to boards of education and which we see being carried out in central Algoma, Sault Ste. Marie and Windsor.

I want to read a couple of quotations from the memorandum. The first topic is the ground rules for negotiations and what stand boards should take on those ground rules. The trustees council's advice to the boards is:

If ground rules are entered into prior to full and complete knowledge of the branch affiliate's substantive request, they should be confined to strictly procedural matters and should not deal with any matters which are considered substantive.

The best advice this office could give is that the board should know the full and complete branch affiliate's request before establishing any ground rules.

It seems to me that indicates a reluctance to accept the collective bargaining process on the part of the trustees council. Over on the page is this:

Numerous school boards have been asking the following questions [they deal with three; I just want to excerpt one]:

Should we agree to final offer selection or arbitration in the ground rules in order to resolve a possible impasse to negotiations?

[Part of the answer] As a general statement, final offer selection is preferable to arbitration in that the parties must defend their position from the outset as being most rational.

Over the page there's this caution that is indented and highlighted:

However, under no circumstances should a board agree to final offer selection or arbitration on matters that are not directly related to salaries and fringe benefits. Matters relating to the control, nature and quality of the educational programme should not be left to third party adjudication.

I submit that attitude is contrary to the spirit and the principle of Bill 100 as outlined in clauses 3 and 9. It seems to me the minister and the Education Relations Commission should investigate that particular memorandum to see if it is an incitement to bad-faith bargaining on the part of boards.

Mr. Speaker, I'm going to proceed, I think, for about another 20 minutes, and this is an appropriate time to curtail my remarks.

Mr. Foulds moved the adjournment of the debate.

The House recessed at 6 p.m.

APPENDIX

(See page 1318)

An answer to a written question was tabled as follows:

40. Ms. Bryden—Inquiry of the ministry:

1. How many persons were employed in the Premier's office at March 31, 1975 and March 31, 1976?

2. How many persons were primarily engaged in each of the following activities at each of the above two dates: (a) Public relations, including media relations; (b) Speech writing; (c) Appointments, engagements and itinerary of the Premier; (d) Liaison with the Progressive Conservative Party; (e) Correspondence answering; (f) Secretarial and clerical; (g) Office administration; (h) Other?

3. How many employees in the Premier's office on each of the two dates mentioned above were: (a) part of the Civil Service complement; (b) contract employees; (c) other categories, by category?

Answer by the Premier:

	March 31, 1975	March 31, 1976
1.	62	61
2. (a)	3	3
(b)	1	1
(c)	6	5
(d)	0	0
(e)	10	10
(f)	32	33
(g)	5	5
(h)	5	4
3. (a)	41	40
(b)	21	21
(c)	0	0

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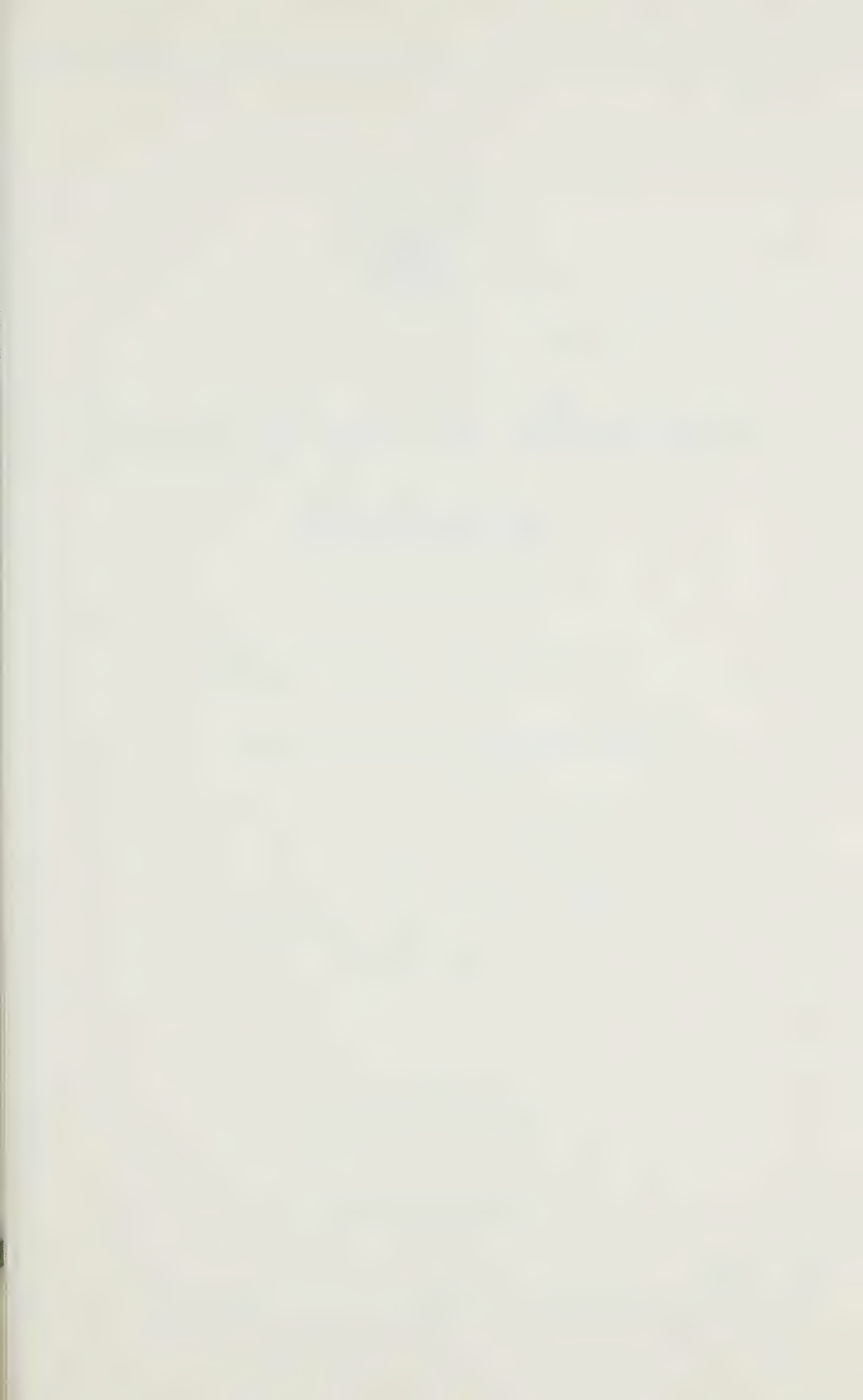
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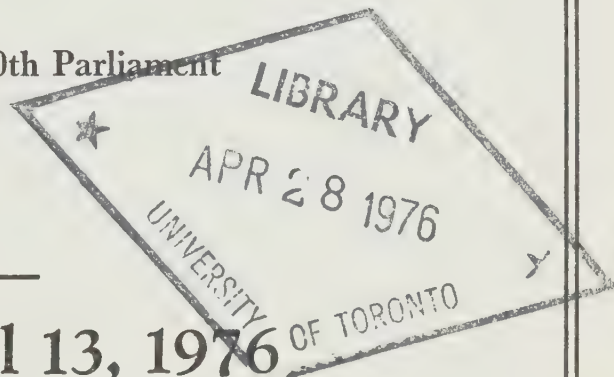


Legislative Assembly

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament



Tuesday, April 13, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 13, 1976

The House resumed at 8 p.m.

CENTRAL ALGOMA BOARD OF EDUCATION AND TEACHERS DISPUTE ACT (concluded)

Mr. Speaker: When the House rose at 6 o'clock, the hon. member for Port Arthur was speaking.

Mr. Foulds: I want to resume my remarks by reading a few excerpts, which I think are important and fundamental to this debate, from the decision of the Education Relations Commission with regard to the dispute between the Central Algoma Board of Education and the branch affiliate of the OSSTF. Because the ERC in its decision very clearly understood the difficulty that the minister and this Legislature were getting in by continually abrogating the rights—the full and free collective bargaining rights—of teachers and boards under Bill 100. I just want to read a few excerpts from that decision by the Education Relations Commission.

During the course of the hearing held by the commission on April 6, 1976, the branch affiliate offered to terminate the strike and submit the dispute to arbitration or final offer selection in accordance with the School Boards and Teachers Collective Negotiations Act, 1975. The board declined to accept this offer and insisted that it wished the dispute to be terminated by special legislation.

Could it be any clearer that the board wished to get off the hook for its legislated responsibility?

Further, the commission said in that judgement:

In our view, the interest of the community and the future health of the collective bargaining relationship would best be served by the acceptance of the existing legislated procedures for resolving an impasse rather than specially legislated resolution.

Reluctantly, in the next paragraph they said this:

Despite the praiseworthy offer by the branch affiliate, we have determined that an impasse has been reached.

However, they concluded their judgement with the following statement; it is couched in very careful terms but nevertheless it is a warning, I hope, to the government, to this Legislature and to other parties in collective bargaining, because the commission went on to say this:

We do stress, however, that a party which deliberately creates an impasse should not necessarily expect that our declaration concerning the jeopardy of the students will be automatically forthcoming. We intend to exercise our jurisdiction so as to promote responsible settlement as compensated by the legislation.

They are, of course, referring to the general legislation, Bill 100. It seems to me that this is a warning, carefully couched in civil service terms, by the members of the Education Relations Commission to the minister, to this Legislature, and to the bargaining parties throughout this province. It is, as I read it, a plea for the integrity of Bill 100.

In brief, the reason we oppose this special legislation—if I may say it without sounding too holier than thou—is because of our sense of justice. There are three kinds of justice, it seems to me. There is the rough justice so loved by conservatives such as Trudeau, Stanfield and McKeough when they talk about the Anti-Inflation Board regulations; the equation really is that rough justice in that case means injustice.

Then we have the kind of justice that is expressed in this particular piece of legislation, interestingly brought forward by a Conservative cabinet minister who may be the only surviving 20th-century Liberal in Ontario, the Minister of Education (Mr. Wells). It's a kind of heavy-handed justice which he equates with equality of justice because it is heavy-handed against a board in this case. His stance is that as long as you are equally heavy-handed occasionally against boards and occasionally against teachers, then that's all right. I would submit that that's a kind of heavy-handed justice.

I think the reason we would not agree to the minister's suggestion yesterday that we rush the bill through in 20 minutes, that all the arguments had been put, is that we subscribe to Milton's view of justice as being even-handed.

Finally, I want to conclude with a few remarks about the collective bargaining process in the educational system in the Province of Ontario as a whole. One of the principles that this bill brings before the Legislature is the removal of fair and free collective bargaining rights for a group to whom we had previously granted them.

I want to reiterate that for my money, the teacher-board collective negotiations bill, commonly referred to as Bill 100, is a very fine piece of legislation. We in the New Democratic Party are often accused of being wild-eyed, naive idealists; but, my goodness, we are rank amateurs in comparison to teachers and boards.

Hon. Mr. Timbrell: That's another subject altogether.

Mr. Speaker: Order, please.

Mr. Foulds: It seems to me that the complaints we have heard from teachers and boards and the Tory back-benchers about Bill 100 are because Bill 100 is not perfect. I think that what we have to understand about Bill 100 and what we have to understand about the Education Relations Commission is that they will never be perfect. No human legislation and no human agency will ever be perfect.

That does not destroy the valid principles of collective bargaining nor does it destroy the validity of the principles and assumptions underlying Bill 100. No one expected collective bargaining between teachers and boards to be easy nor did anyone expect it to work perfectly.

It is my contention that the general legislation works better than most people expected and it is my contention that the bill's basic principles are sound. If that is so, why have we faced crisis situations in Metro Toronto and Kirkland Lake and why are we now facing those crises in Windsor, central Algoma and Sault Ste. Marie?

Let me be blunt. I believe that both boards and teachers have a lot to learn about the collective bargaining process and, I say it with some care, they had better learn it fast if they want their respective organizations to survive. If we want local school boards and local autonomy to survive in education in Ontario collective bargaining in the

school system must work. If the federations are to survive, situations such as we have seen in the past, the Metro teachers' strike, must be solved through negotiations rather than through legislation. Do I need to add that I think it essential that local school boards and the federations survive for the good of education in Ontario?

I believe that both boards and teachers must learn that although collective bargaining is an adversary process compromise is at the heart of that process. Both boards and teachers must learn that collective bargaining does not take place in the press nor through the media. Both boards and teachers must learn not to paint themselves publicly into corners out of which they cannot retreat. Even more importantly, they have to stop slandering each other's negotiators in personal terms.

Teachers and trustees are even more talented than politicians when it comes to rhetorical invective and it doesn't really help the collective bargaining process when one side calls the key personnel on the other side a lying S.O.B. when that lying S.O.B. is the guy who has to sign the contract. No matter what one thought of his position or tactics in negotiations, for example, Metro Toronto board chairman Bill Ross took verbal and personal abuse that should not be visited on any public figure trying to serve his community.

Collective bargaining takes place at the bargaining table. It can be tough, bitter and forceful but it is simply self-destructive for both sides if each becomes vindictive and childish. I must say that some collective bargaining I have seen around the province between trustees and teachers has been both of these things.

Above all, the aim of collective bargaining is to arrive at a mutually agreeable contract—or a mutually disagreeable one for that matter. Anything which interferes with that is irrelevant and that is the lesson the boards and trustees have yet to learn if we take Windsor, Kirkland Lake, Sault Ste. Marie, central Algoma and Metro Toronto as our examples. These disputes are symptomatic of what is wrong with the attitudes of both parties to collective bargaining not what is wrong with collective bargaining itself.

[8:15]

To be fair, they are to some extent the result of inexperience with the collective bargaining process. But they are also the result of a refusal to grow up on the part of this board and the teacher negotiating team. It sometimes seems to me that boards long for

the days of Mr. Chips, which will never return. It also seems to me at times to betray an arrogant assumption on the part of teachers that they are the only ones who have a stake or an interest in the education of young people.

The important thing is that these disputes are the exceptions; the overwhelmingly vast majority of contracts have been settled without strikes or lockout action. However, the strike or lockout weapon must remain for each party, if indeed one of them should encounter absolute intransigence on the other side. It is much healthier to have a legitimate and legal strike or lockout than it is to have the madness and mess of, say, New York where the strike is illegal and there are far more strikes, work stoppages and disruptions than in any other single jurisdiction in North America.

To get back to some specifics, it is my view that the Metro teachers' strike did not take place for collective bargaining reasons. It took place largely for psychological reasons. That may be a good reason to have an analysis but it's a lousy reason for a strike. It took place not to obtain a collective bargaining agreement but from some primordial necessity on the part of teachers to show they were deeply frustrated with the Ontario school system. It took place because of the same necessity on the part of a board to show it was still in charge of the school system. Both sides misused and mistook the purpose of the collective bargaining process to carry out some ritual dance to display their own credentials to the Ministry of Education, to this government and to the public.

These are great and important questions that affect our school system. But they are not issues that can be settled entirely through collective bargaining; nor should we expect the collective bargaining process to solve all of our educational problems, just as we should not expect collective bargaining in the industrial sector to solve all of our technological problems. In short, the Metro teachers strike, for example, especially after Trudeau's Thanksgiving speech, did not take place as a tool to obtain a contract, and that is all that a strike or lockout should be, the final and the most powerful tool to obtain a contract.

In Kirkland Lake, and certainly at one point in the central Algoma dispute, especially when my colleague from that riding, the member for Algoma (Mr. Wildman), was involved, the sides were so close to a settlement I cannot believe if both parties

were primarily interested in obtaining a contract one could not have been achieved.

If there is any fault with Bill 100 it is, as my colleague the member for Windsor-Sandwich (Mr. Bounsall) outlined, that perhaps some care should be taken in dealing with the good-faith bargaining section. Perhaps both sides have to learn not only to bargain in good faith but how to use that section. Perhaps the ministry has to toughen up that section. I think it is fair to say that the personnel involved in terms of the processes of Bill 100, particularly as they take place in the early stages of negotiations, the fact-finding stage, must be more fully trained in the educational and collective bargaining sectors than they are now.

One of the little realized facts about Bill 100 is that in a very definite way its strengthens the position of both trustees and teachers in relationship to the provincial government and to the Ministry of Education. Bill 100 enshrines the importance of boards of education and local affiliates in a way that had never occurred before in Ontario's history. Because negotiations must take place according to the bill at the local level, that has given local boards and local affiliates a legitimacy and importance that had been rapidly eroding because of centralized provincial power. The bill makes certain that key decisions over the scope and nature of education are local decisions.

Even though the trustees' council will rail against the scope of clauses 3 and 9 of the School Boards and Teachers Collective Negotiations Act, these clauses in fact put enormous power back into the hands of the local board as opposed to the provincial Ministry of Education. The destruction of Bill 100 would remove this very real local power. Every time the provincial Legislature is called upon, as we are being called upon at this time, to settle a local dispute through legislation, that action diminishes local power.

If there are too many Windsors, Metropolitan Torontos, Kirkland Lakes and central Algomas to be legislated back to work through individual bills, abrogating the general legislation, then Bill 100 will be destroyed; and if Bill 100 is destroyed that could mean the destruction of one of the few safeguards to local decision-making. The fact that the board must to some extent share that decision-making power with its teachers through collective bargaining does not take away from its essentially local character.

Let me remind the House that if the right to strike and the right to lock out is re-

moved from Bill 100, that too reduces local authority and local responsibility, and that is what we are doing with this particular individual bill.

The federal anti-inflation legislation severely damaged collective bargaining rights right across Canada. It had a particularly damaging effect on teacher/board negotiations in Ontario because the process was so new and the legislation hardly in place. Nevertheless, that is no reason for either boards or teachers to give up on the School Boards and Teachers Collective Negotiations Act, 1975; that is no reason why we should give up on the Act—and every time we introduce a bill like this one that we are presently dealing with we are giving up on Bill 100—and that is no reason why each side in the dispute should avoid making every conceivable, and at times even some superhuman, effort to reach collective agreement.

More than collective bargaining is at stake. The future direction of Ontario's school system and the integrity of local autonomy are also at stake. For these reasons we are opposing the legislation and offering our reasoned amendment.

Mr. Laughren: Long live the Minister of Education.

Mr. Speaker: Does any other hon. member wish to take part in the debate on second reading? The hon. minister.

Hon. Mr. Wells: Mr. Speaker, first of all, let me begin by thanking my friend from Port Arthur again for that part of his speech in which he was laudatory towards Bill 100. I, of course, have some kind of personal feeling toward Bill 100 myself, and couldn't agree more with the things that he said in support of it.

I have to tell him that we are not going to give up on Bill 100. Bill 100 is going to stay and it will be around here for quite a while. I think the procedures that it has laid down—with perhaps some technical refinements that we will all work on some six months or so from now when we have a chance after this round of negotiations is completed—I think that within those technical adjustments the bill will stay and will be even more effective than it has been, because it certainly has been effective insofar as bargaining is concerned in this province. All we have to do is look at other jurisdictions, particularly in the United States, and see what's happening there; and even look a few years back here and see what's happening.

Mr. Foulds: No argument.

Hon. Mr. Wells: There are at this time three elementary disputes in this province and two secondary disputes, apart from Sault Ste. Marie, which we have a bill on, and Windsor. That is all that is left out at the minute, and they are all the areas where there are no contracts in effect in this province. And that, as I have said many times, is something like 203 contracts that have been negotiated and signed since last Sept. 1 just after Bill 100 came into effect. A lot of those contracts were in the works before this bill came along. There is no question that what my friend has said about attitudes towards bargaining is right on.

The attitudes, the techniques, the approach to bargaining by both teachers and school boards in this province is still in its embryonic stage. There are a lot of refinements and there are a lot of improvements needed. Both sides are going to have to learn to really collectively bargain and not confront each other in positions and posturing that doesn't lead to effective bargaining. I think it can be rightly said that both sides stand in need of improvement in this particular area, and that given that improvement by both teachers and school boards—with the techniques and procedures laid down in Bill 100—we will see even better collective bargaining in the educational field in the years to come.

Let me just go on—and I might just say that I appreciated the remarks—

Mr. Foulds: The government will have to pay for Bill 100.

Hon. Mr. Wells: I might just say that I appreciated the remarks that my friend, the member for Kitchener-Wilmot (Mr. Sweeney), made about final offer selection. He was one of the few who had anything good to say about it. I think that it is something that in certain instances can be tried. I think it is an innovative approach. That's why we put it in Bill 100. This is a particular dispute that lends itself to this particular method of final settlement, because there are just a very few things left in dispute, and final offer selection, I think, is worthy of trying. Indeed, that's why we have put it in this legislation.

He also made some remarks—and, of course, there are different stances between the official opposition and the Liberal Party.

Mr. Foulds: I should hope so.

Hon. Mr. Wells: There are in some things. He made some remarks about shortening the time that the Education Relations Commis-

sion and that we, perhaps, take some particular action on these matters.

Mr. Reid: Wait until we talk about Sault Ste. Marie tomorrow.

Hon. Mr. Wells: And in Sault Ste. Marie we have indeed shortened the time.

Mr. Reid: Did the Education Relations Commission report on that one to you?

Hon. Mr. Wells: Yes, they reported and they said, "Don't do anything." Now, would you like me to not do anything, or do you think I should have done something?

Mr. Reid: I just wondered if you had a report.

Hon. Mr. Wells: I had a report. Certainly, it was made public last week here and they recommended that we not do anything. But we decided that in that particular case we should do something.

What I guess I really want to say about this legislation and about our position on this is, as I have said already, Bill 100 stands. Bill 100 is a good piece of legislation. The procedures that are there will remain. But I guess the difference between what I have to say and what we on this side have to think about this, and what my friends can say, is that I'll be in a minority position.

The people of Ontario put us over here in a position of a government prepared to present to this House and to lead on certain matters—and it is all very well. In my philosophic moments, thinking about collective bargaining, I can sometimes agree with the kind of stance that the member puts forward. But really, the best thing is not to interfere in the process. Once you've got the ground rules laid down, let everybody just hope that they can negotiate.

We all agree a negotiated settlement is the best; let's hope they can negotiate. If they can't negotiate, let all the procedures take place. Don't have any third party or outside interference. That's the way collective bargaining should work, and it does work that way in a lot of areas.

But the member knows as well as I do that in the public sector there is another dimension and no matter how idealistically we would like it to work, in the pure collective bargaining sense, the third party—the parents and the students affected in this kind of a strike—are not packages of soap or cars on an assembly line. They are good people who this day and at this time in the Province of Ontario will accept the right to strike for

teachers. They will accept the right to strike for teachers, but at a certain point when that strike goes on they say: "If you are the government, and we voted you in there, we want you to do something." That's exactly what we said when we brought this bill in.

Mr. Laughren: Tell us about the pulp and paper strike.

Hon. Mr. Wells: Now, if I was to carry to its logical conclusion the things that the member has said—if the NDP was the government of this province—the high school students in Metro Toronto would probably still be out of school. That's exactly what the members opposite have said. They would still be out of school.

Mr. Laughren: Tell us about the pulp and paper strike.

Mr. Roy: They would do it like they did in BC.

Hon. Mr. Wells: And the high school students in Kirkland Lake would still be out of school.

Mr. Speaker: Order, please.

Hon. Mr. Wells: We supported the opening of the schools.

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Wells: Wait a minute, I see—my friend says no, they wouldn't still be out of school. What we would have done is suspend their right to strike, something like Mr. Bourassa is doing. We would have suspended their right to strike.

Interjection.

Hon. Mr. Wells: We would have suspended their right to strike and told them to go back in and negotiate.

Interjections.

Hon. Mr. Wells: That is exactly what the amendment said. It said, "You'll go back to school. Your right to strike and lockout is taken away but we are not going to solve the matter. You are going to continue to negotiate."

Mr. MacDonald: That's right.

Hon. Mr. Wells: "You are going to continue to negotiate."

Mr. Roy: You would have done like they did in BC.

Hon. Mr. Wells: "You are going to negotiate and negotiate but your right to strike has been taken away from you."

Mr. Roy: The NDP in British Columbia forced the workers back to work.

Hon. Mr. Wells: And you have no resolution.

I just have to echo again what the Premier (Mr. Davis) said on the Metro Toronto bill. What they really want to do is have it both ways over there.

Interjections.

Hon. Mr. Wells: On the Metropolitan Toronto bill the opposition wanted to be in favour of getting the schools open but they didn't want to be in favour of getting a resolution to the problem—

Mr. Bain: Right.

Hon. Mr. Wells: —knowing that a non-resolution leaves a lingering aura of bad feeling—

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Wells: —worse than the kind of resolution that comes from imposed arbitration. I have to submit that.

Interjection.

Hon. Mr. Wells: In this particular case, we've got a completely different bill, one which I submit the opposition members could support and support completely. They can support it completely because of what we've done here.

What my friend has said is absolutely right—when the Education Relations Commission held its hearing in central Algoma the teachers appeared at that hearing and said the pupils' programmes were in jeopardy. They said, "We'll go back to school tomorrow if you will go to final offer selection. We'll go back to school tomorrow if you'll go to voluntary arbitration. We'll go back to school if we can get some kind of negotiations going." I'm not sure if that was exactly the way they put it.

Mr. MacDonald: That sounds like our position.

Hon. Mr. Wells: No, that's what the teachers said.

Mr. MacDonald: That sounds intelligent.

Hon. Mr. Wells: The board said to each of those, "No, no, no."

Mr. MacDonald: That sounds intransigent.

Hon. Mr. Wells: All right, I can agree with you on that. They said no.

Mr. MacDonald: Right.

Hon. Mr. Wells: The Education Relations Commission reported to us and said there was an impasse. My friend read the report. I am not going to read it again.

Mr. Wildman: They knew you were going to order them back.

Hon. Mr. Wells: They put down exactly the same kind of sentiments that I have, the point being, however, that those schools opened last Friday. They opened at that time because we had given our assurance that we would bring legislation in to put the matter to final offer selection.

Interjection

Hon. Mr. Wells: They opened because we had given them that assurance.

Interjection.

Hon. Mr. Wells: Now, I have to think that there is no other responsible position—

Mr. MacDonald: You are right.

Hon. Mr. Wells: —for a government to take —maybe not for an opposition, because it can fly with things a little easier than a government can.

Mr. MacDonald: We can be consistent. You can have aberrations, and do on occasion.

Hon. Mr. Wells: There is no other responsible position, given the fact that those teachers indicated to us that if we were prepared, through legislation, to implement a final resolution to the problem they would return to school. Indeed, they indicated they would return at practically the same time as we were introducing the legislation here. Hence we have a piece of legislation and all it does is put that particular area, the teachers and board in central Algoma, into a position of final offer selection under Bill 100. That's all this bill does. It's a simple bill.

It is a necessary bill. It's a bill which should be passed at this particular time and it is a bill which should be supported in this House. All I can say to my friends across here—I hear they don't want to have a divi-

sion on this bill—is if they really sincerely believe all the things they said, let them stand up and have a division on this bill.

Mr. MacDonald: We will have it if you want it.

Mr. Roy: The NDP in British Columbia forced the workers back to work.

Hon. Mr. Wells: I just get the idea they like to have it both ways all the time.

Mr. Speaker: Order, please.

Hon. Mr. Wells: If they believe they are opposed to what we are doing on this bill, let them stand up and vote against it. If they have any real concern about the process in this province—I think I have proved that I have a real concern about it—

Mr. Roy: The NDP in British Columbia forced the workers back to work.

Hon. Mr. Wells: —I believe at this time this is the thing which should be done, particularly in the interests of the students in central Algoma. If those members vote against this bill, they are voting against the students in central Algoma.

Mr. Speaker: Hon. Mr. Wells has moved that the bill now be read a second time.

Mr. Wildman has moved a reasoned amendment that Bill 51 be not now read a second time, but be read a second time one hour hence and that it now be referred back to have incorporated therein the following amendments: Does the House take cognizance of the amendments as printed?

Agreed.

All those in favour of the bill being now read a second time will please say “aye.”

All those opposed will please say “nay.”

In my opinion the “ayes” have it.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be referred for third reading?

An hon. member: Committee of the whole.

Mr. Speaker: To committee then.

Mr. Roy: You are gutless, you are all talk.

Mr. Breaugh: You were almost leader, but not quite.

Mr. Roy: It is all sound and fury.

Mr. MacDonald: We are doing what you would not understand; being consistent.

Mr. Roy: You are consistent, yes.

Mr. Reid: Ask Ian Deans about EMO.

Mr. Roy: Read your old speeches.

Clerk of the House: The second order, House in committee of the whole.

CENTRAL ALGOMA BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

House in committee on Bill 51, An Act respecting the Central Algoma Board of Education and Teachers Dispute.

Mr. Chairman: Are there any comments, questions or amendments to any section of the bill; and if so to which section?

Hon. Mr. Wells: I have amendments, Mr. Chairman.

Mr. Chairman: Hon. Mr. Wells moves that the preamble to the bill be struck out and the following be substituted therefor:

Whereas the Central Algoma Board of Education and its secondary school teachers have been negotiating terms and conditions of employment; and whereas the strike by the secondary school teachers against the board of education began on Feb. 16, 1976, and was terminated by the teachers on April 12, 1976; and whereas the board of education and its secondary school teachers have been unable to make an agreement as to terms and conditions of employment; and whereas the public interest requires that means be found for the settlement of the matters in dispute between the board of education and its secondary school teachers:

Motion agreed to:

Mr. Foulds: On section 1, Mr. Chairman.

On section 1:

Mr. Chairman: The hon. member for Port Arthur has an amendment. Mr. Foulds moves that section 1(f) be struck from the bill.

Mr. Foulds: Very briefly, this is the first place in which the compulsory arbitration aspect comes up in the bill, even though it's in the definition of “selector.” A selector in this bill is simply a person who makes a decision by compulsory arbitration, and we

oppose it. We made the arguments on second reading.

Mr. Ferris: Could I ask whether the NDP is prepared to make all the motions that were inherent in the reasoned amendment as amendments to the bill at this time?

Mr. Foulds: We were just going to do—

Mr. Ferris: If so, perhaps we could do them all at one time and dispose of them all at the same time.

Mr. Renwick: What you mean is you are supporting the government.

Interjections.

Mr. Chairman: Any other discussion on Mr. Fould's amendment?

Hon. Mr. Wells: Mr. Chairman, this amendment is not acceptable.

Mr. Chairman: All those in favour of Mr. Fould's amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

I declare the amendment lost.

Section 1 agreed to.

On section 2:

Mr. Chairman: Hon. Mr. Wells moves that subsections 1, 2 and 4 of section 2 of the bill be struck out and that subsection 3 be renumbered as section 2 of the bill.

Hon. Mr. Wells: Mr. Chairman, this takes out the sections which are known in colloquial terms as the back-to-work sections of the bill. Since they are not now necessary, I am suggesting that they be removed from the bill.

Mr. Foulds: Mr. Chairman, we support the amendment.

Mr. Ferris: Mr. Chairman, we would also support the amendment—

Mr. MacDonald: We are always prepared to acknowledge reality and that is a reality.

Mr. Chairman: Order, please.

Mr. Ferris: Would the minister, as I asked in my comments on second reading and in opposing the reasoned amendment, give any assurance that in fact the professional development days will be used as professional development days and that we will not be exposed to the situation in Toronto at this time where they are not instruction days?

Hon. Mr. Wells: Mr. Chairman, I have full confidence that the board will make every effort, along with the teachers and the students in central Algoma, to adjust the programme so that the students can catch up the time that has been lost.

Mr. Shore: Tom, you know that isn't right.

Hon. Mr. Wells: I'm sure they will handle the professional development days in that manner. I'm sure that will be done.

Mr. Wildman: Mr. Chairman, in relation to that point, over the weekend both sides, the chairman of the board and the chairman of the teacher negotiating committee, assured the students and the parents of the area that they would do everything possible to help the students complete their credits, and both made statements to the effect that teachers and students would have to work very diligently in order to do that. That would indicate that both sides are interested in doing everything possible to ensure that all days that possibly can be used will be used.

Hon. Mr. Wells: I think it is very good that the member for the area has indicated this. I was sure that would have been the situation, and I'm pleased to hear that.

I might also say that some mention was made of the situation in Metropolitan Toronto. There have been certain news stories about how the directors of education handled this matter; I've looked into them. I am fully confident that the teachers, the students and the boards in Metropolitan Toronto have made great efforts and indeed are to be commended for the way that they have organized things to help students and to allow them to make up for that lost time. I can find no criticism from myself about the way they are handling the PD days.

Motion agreed to.

Section 2, as amended, agreed to.

[8:45]

On section 3:

Mr. Chairman: Mr. Foulds moves that subsections 1, 2 and 3 of section 3 be deleted and the following substituted therefor:

(1) The terms and conditions last offered by the board to the teachers shall be implemented on an interim basis.

(2) The parties involved are instructed to resume forthwith negotiations in good faith in order to resolve all matters remaining in dispute.

(3) The parties shall each give written notice to the Minister of Education within seven days after the day this Act comes into force setting out all of the matters the parties have agreed upon for inclusion in an agreement and the matters remaining in dispute between the parties, and the notice shall be deemed to be notice to the commission and thereafter, except as provided in section 57 of the School Boards and Teachers Collective Negotiations Act, 1975, a party shall not withdraw from the negotiations hereinafter provided for.

Any comments on Mr. Foulds' amendment?

Mr. Foulds: I think they are self-explanatory. We have made the arguments in second reading and we don't need to repeat them here in committee.

Mr. Ferris: I will make a brief comment that we will oppose this amendment consistent to what we have done on the other bills. I believe there is no use of enforcing interim procedures or settlements. Let's get on with the job. I compliment the Minister of Education in including that clause that says they may reduce the time at their discretion, and I would hope that it would come to a very early settlement of the arbitration.

Hon. Mr. Wells: I think what my friend has said is right. We have discussed this. This really goes right to the root of the principle of the bill. Section 3 is the section of the bill which provides for putting the parties into final offer selection. My friend from London South has indicated that the section gives the commission with the consent of the parties an opportunity to condense the time. I think that's important and it needs to be in there.

If they follow Bill 100, it will take 62 days to go through the process for final offer selection. I would hope that both sides would see fit to condense that time working with the commission. I think that is possible. I am sure they can do it and that's why we have got that section. But as far as the amendments are concerned I would have to oppose them.

Mr. Chairman: All those in favour of Mr. Foulds' amendment will please say "aye."

All those opposed will please say "nay."

In my opinion, the "nays" have it.

I declare the amendment lost.

Section 3 agreed to.

Sections 4 to 7, inclusive, agreed to.

Bill 51, as amended, reported.

Hon. Mr. Wells moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with a certain amendment and asks for leave to sit again.

Report agreed to.

THIRD READING

Hon. Mr. Wells moved third reading of Bill 51, an Act respecting the Central Algonoma Board of Education and Teachers Dispute.

Mr. Speaker: All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion, the "ayes" have it.

Motion agreed to; third reading of the bill.

Hon. Mr. Meen: Mr. Speaker, before calling the next order, I would ask that the House entertain a resolution that motions now be entertained.

Mr. Speaker: I am sorry.

Hon. Mr. Meen: Perhaps I should express it another way. Will the House give its—

Mr. Speaker: Order, please. We have to hear this. Order, please.

Hon. Mr. Meen: —unanimous consent to revert to motions?

Mr. Speaker: May we revert to motions, please?

Hon. Mr. Meen: Mr. Speaker, I believe I have consent on this.

Hon. Mr. Meen moved that the House sit tomorrow at 11 a.m., rising for a luncheon interval at 1 p.m., with routine proceedings to take place at 2 p.m.

Motion agreed to.

TOBACCO TAX AMENDMENT ACT

Hon. Mr. Meen moved second reading of Bill 48, An Act to amend the Tobacco Tax Act.

Mr. Renwick: Mr. Speaker, we don't oppose the passage of this bill; we are just curious as to what the profit will be to the tobacco companies on the sale of cigarettes after they have added in the tax and rounded off the cents. What will the element of profit be which will accrue to the tobacco companies as a result of the imposition of this tax?

Mr. Edighoffer: Mr. Speaker, this party will support the Act to amend the Tobacco Tax Act. This increases the tax to the extent of a quarter of a cent per cigarette. Of course, we support particularly the part of the bill which offers remuneration to those who collect the sales tax. This is in keeping with the policy that came about last year for those who collect the retail sales tax.

In regard to the regulation section, there is a new regulation in there which allows the Lieutenant Governor in Council, I believe, to make remuneration to those who take inventories. I think this is most reasonable for the extra work that is encountered by those who are selling this product. So we support the legislation.

Mr. Cassidy: I want to make two or three comments about this bill, Mr. Speaker. We are supporting the bill, but I think the problem with it, frankly, is that it doesn't go far enough. I know the minister and other members of the government have heard that before from this party, but in this case it means I think that the nickel-per-pack increase on cigarette taxes is, in fact, inadequate. I say that for revenue reasons, and I say that also for social and for health reasons. I have to declare a certain interest because I am a former smoker and somebody who has shown a good deal of concern for the health aspects of smokers.

Mr. Roy: Yes, but you used to roll your cigarettes.

Mr. Cassidy: I used to roll them, that's right. I would say to the cigar smokers and pipe smokers of the Legislature that this should apply to them—

Mr. Shore: Have you still got your Imperial Oil shares, Mike?

Mr. Ferrier: How many does the member for Lake Shore have?

Mr. Cassidy: No, I don't, as a matter of fact.

Mr. Speaker: The nickel a pack increase on cigarette taxation at the provincial level

is going to yield about \$50 million according to the estimates that were tabled by the Treasurer (Mr. McKeough) the other day. I want the Legislature to consider just what could have happened if the increase on cigarettes had been from 75 cents to 90 cents a pack, rather than from 75 to 80 cents a pack.

It's safe to assume that in the short run for the next year there would have been not to much of an effect on consumption; it's more of a long-term impact. Therefore, the increase in revenue from cigarette taxation would have been more like \$150 million rather than \$50 million. If cigars and pipe tobacco and roll-your-own tobacco had been included, I'm sure that an extra \$100 million could have been received.

There are two or three effects that one could attain over the short run. We learned from reading the budget that after one got through the Treasurer's fancy and rather misleading figures, approximately \$114 million of the OHIP premium increase was going to come out of the pockets of individual employees and about the same amount out of the pockets or corporations.

If the government had chosen to raise the premiums paid by employers by \$5 a head a month in order to ensure that unorganized workers as well as organized workers had that extra sum paid by the employer, and if they had also increased the taxation on tobacco, there would have been no need at all for any increase in the premiums paid by individuals. The shortfall would have been all of \$14 million, a sum which I would have suspected could have been absorbed in the government's deficit, raised by other means, or could have been perhaps accommodated by an extra half a per cent increase on the insurance premium tax. In other words, I'm suggesting that on revenue grounds alone an increase in the tobacco tax could have been enough to have prevented any need to raise the individual OHIP premium at all.

On health grounds, I had an answer the other year from the Treasurer or the Minister of Health (Mr. F. S. Miller) suggesting that the costs in medical treatment for tobacco-related diseases was at least \$100 million a year. That was probably a very conservative estimate, if I can use the word, because the cost of health treatment and hospital treatment have gone up substantially since that estimate was prepared. The estimate was made on the basis of, I think, approximations developed as part of the Hall report on health, which you, Mr. Speaker,

will remember came down in the early 1960s and was the basis of the extension of Medicare throughout Canada.

If we could stop the bulk of the population of the Province of Ontario from smoking we could save more than we receive right now from the tobacco tax. The figures that have been given to the Legislature at my request indicate that the tobacco tax back in 1974, I think it was, yielded something approaching \$100 million, but that the cost of tobacco-related disease treatment under OHIP and the hospital insurance plan was at least \$100 million, if not more.

In other words, we spend as much or more than we get; and there is absolutely no benefit to the general non-smoking taxpayer from this tax on something that one assumed was a luxury. If we're lucky it pays for itself and nothing more.

I would like to suggest to the Minister of Revenue (Mr. Meen), and through him to the Treasurer, who as we know makes tax policy, and also through him to the Minister of Health, who is concerned about OHIP costs, that over the next three or four years it might be worthwhile for this province to launch on a deliberate and phased attempt to raise the taxes on tobacco to quite a high level. That has been done in a number of European countries. It's something that people grudgingly accept. But most people, smokers included I think, accept that smoking is harmful to health, smoking creates an awful lot of costs, smoking doesn't contribute a hell of a lot to this society, and it's a very expensive and dangerous kind of luxury.

The people who don't accept that are in the minority. The ministry comes along and says: "If you work in an environmentally dangerous factory or milling plant or refining plant, then we urge you not to smoke, because that would add to the health hazards of being in a place where the occupational hazards are very severe." That's as far as they are willing to go.

[9:00]

Ontario, at most recent report, spent something like \$25,000 or \$30,000 a year on its entire programme of health education and its entire programme of clinics to help people quit smoking; and that's clearly a paltry effort and one that should be improved.

I know that despite the political complexion of the ridings that contain the tobacco farms of this province, the government is concerned about the future of the tobacco-growing industry, and that's a legitimate con-

cern. That's one of the reasons I do not suggest that the tobacco tax should be raised to such a level that, say, the price of cigarettes would be doubled tomorrow. This could be done over the period of three or four years to give people a chance every six months to look at their conscience and to decide whether or not the time had arrived to quit; and to ensure that fewer and fewer young people embarked on the practice of smoking, which is so dangerous to their health.

If the consumption of tobacco started to drop it would lead to a drop in agricultural revenues down in the tobacco belt around Simcoe and Delhi and the other parts of southwestern Ontario. But I suggest to the minister, and through him to the rest of his cabinet, that we are in what amounts to a crisis in terms of the reduction of agricultural land. Most of that tobacco land is good for other purposes as well—radishes or wheat or oats or cattle. It's good for food in general, even if it's particularly suited to tobacco. It seems to me the Ontario government could offset some of the losses of farmland that has been going into urban uses by converting tobacco land on a systematic and fairly rapid basis into foodland that would be used for purposes that are helpful to health rather than purposes which are injurious to health.

That is a series of suggestions. They come from me personally rather than from my party, which has not adopted a specific position on that; but I think a number of my colleagues are sympathetic to the view that the Ontario government can lean quite heavily on tobacco as a source of taxation for revenue purposes in the short run, for health purposes in the long run, and in order to provide a source of farmland in the longer run to offset the very grave losses of farmland that have been created because of irresponsible practices and policies of the ministry.

It may seem unusual and almost balm to the ears of the minister to hear me say this, but if the minister decided to bring in an amendment to further increase the increase in taxation on tobacco products we would welcome it, particularly if it was accompanied by a reduction in the regressive and very undesirable increase in OHIP premiums.

Mr. B. Newman: Mr. Speaker, I wanted to raise an issue with the minister concerning his announcement on the night that the tax was to become effective. The minister made mention that this would be effective as of midnight on April 6, and many of the retail merchants assumed that would have been

levied at the wholesale level, and as a result sold their stock on April 6 at the regular price. Had the minister in his announcement made mention that an inventory would be required from each of the retailers, and that the tax was effective on their inventory at that time, the problems that did arise would not have arisen.

It's good that the minister's officials, in my discussing this issue with them, made mention that they would sort of indirectly overlook the fact that some of the merchants did not receive their letter concerning their inventory until April 8, and as a result in all conscience could not make the declaration that their inventory was such and such as of midnight April 6. I think an announcement or a pronouncement such as the minister did make on budget day should have specified that the tax would be effective at the retail level on April 6 and that the inventory would be required of the retail merchant.

Mr. Speaker: Does any other hon. member wish to speak to this? Yes, the member for Haldimand-Norfolk.

Mr. G. I. Miller: Mr. Speaker, I would like to rise and speak on the bill to amend the Tobacco Tax Act, with specific reference to clause 1. As I represent the riding of a tobacco growing area, I think it is only fitting that I should give you some facts in this regard.

I would like to point out that before tobacco came in Norfolk county and the area where the tobacco is grown was nothing but blowing sand, contributing very little to making a living. But since tobacco has come in, the area has begun to prosper. I think it started back in the mid-1920s and from that point on it has moved ahead year by year. It has provided a good living and good homes; I don't think you will find any finer area in Ontario.

So for those reasons I think it is important I should speak on it. I realize smoking is maybe a bit of a sin, but I don't know. I think we all have something along that line. Some like to drink a little, some like to smoke marijuana. I think you have a choice. Even if you eat too much food, it can be detrimental.

We import the coffee we drink, and I don't know if it contributes anything to our health; it may keep us awake at nights. Therefore, I would just like to bring out some facts.

In regard to this tax increase, I think it is perhaps excessive. We raised it from .46 for

cigarettes to .71, that's an increase of 53 per cent.

I would like to point out that last year, I think there was something in the neighbourhood of \$104 million contributed by the tax on cigarettes and tobacco. I think the increase is going to add another \$50 million. If you total that up it comes to approximately \$154 million that it is going to put into the coffers of Ontario.

I think last year's crop was approximately 200 million pounds, and I think that was at an average price perhaps of 89 to 90 cents a pound. They are striving for 94 cents—and hopefully they will get it—which will bring in a return of \$185 million. Put \$154 million against \$185 and you can see what it is contributing to Ontario to offset the taxes that would have to come from some other source.

I think we should take all these things into consideration. I realize my party is supporting the tax increase at this time, but the working man smokes, the average Joe on the street. I think if you raise the cost, he's going to fork over a little more money so he can continue to do it.

Mr. Haggerty: Like the Premier (Mr. Davis) smokes.

Mr. G. I. Miller: Perhaps not. The Premier does smoke the odd cigar and the Treasurer smokes his pipe. I enjoy a pipe too.

Mr. Haggerty: No taxes there.

Mr. G. I. Miller: There is no tax on it. However, I still think we have to be realistic. I think we have to protect this industry which is contributing to our economy. I think they are in tough enough straits now. I believe they are bargaining for their contract this year, and I see they have cut back to 175 million pounds. There is competition from imports and smoking has dropped off. I think something like 47 per cent of the population are smoking at the present time and I think the growers are in a bit of trouble.

I still think that we have to take into consideration what they are contributing to our economy. I think if the NDP had their way, that they would take all the tax from tobacco and eventually would wipe out tobacco all together. Maybe that is their policy. I don't think that we would want to do that in the Liberal Party. I know as the member for the riding of Haldimand-Norfolk I couldn't support that.

I also think there is a research factor. I believe there was an extensive study done back in 1968 or in the early 1970s at the

federal level, although I don't know if it was ever proven that tobacco really was the exact cause of many things they said it caused as far as health is concerned. Again, I think anything done in moderation can be acceptable. I think you do get pleasure. For these reasons, it is my privilege to speak on behalf of the tobacco farmers of my riding.

Mr. Spence: I would like to say a word or two in this debate on Bill 48. An Act to amend the Tobacco Tax Act of the Province of Ontario.

It seems to me that each time the tax is raised in the Province of Ontario, the tobacco taxes are increased. However, I must say that I am speaking on this bill because I represent a riding that is made up of two counties, the county of Elgin and the county of Kent; and, of course, those two counties produce a considerable amount of tobacco.

Tobacco results in a very healthy economy for the tobacco industry. It is a tremendously dear crop to grow. It brings a lot of work to labour in different parts of the province; we even have labour coming in from Barbados and Jamaica. Also, it gives a lot of work to female workers in the Province of Ontario. Not only does it help the economy of the area in which the tobacco is grown but it stimulates industries in that area, because it requires fine, dear machinery to grow and harvest the tobacco.

Tobacco also strengthens the economy in many other ways. The insurance companies benefit, because all tobacco is insured; and the banks derive a considerable amount of money from the tobacco industry because the ordinary grower cannot afford to finance a tobacco crop.

Another thing, as my hon. colleague from Haldimand-Norfolk has said, is that we produce about 175 million lb of tobacco, which is processed and then marketed in Great Britain. It brings in a lot of money from Great Britain and stimulates the whole economy of the Province of Ontario. Because the tax will bring in about \$150 million or \$154 million, as my colleague has said, it means a lot to this province. I must say, as my colleague has also said, that with \$154 million in income from taxes, there should be some research done on flue-cured tobacco and air-cured tobacco, because a good many people are never going to stop smoking. A large number have quit smoking—I, for one, smoked as many as three packages of cigarettes a day, and I conquered that—but I know others who have not stopped or never will stop.

If we don't keep the tobacco industry going we are going to be importing tobacco from other countries in the world. I would say that the tobacco industry is one that has stimulated the economy in different counties and different areas of the Province of Ontario. It has meant a lot; it has brought a healthy economy.

Mr. Speaker, I would suggest to this government there should be more research. I know there have been studies carried out in regard to tobacco; and the reports haven't been very favourable. But I would suggest there should be some money put into research so we can take out those impurities that are injurious to the human body.

[9:15]

I'm not opposing the tax but I just wanted to say that the tobacco industry has stimulated our economy in so many parts of southwestern Ontario.

Hon. Mr. Meen: Taking the comments in the order in which the hon. members have advanced them to me, the member for Riverdale (Mr. Renwick) asked about tobacco company profits. The ministry does not fix the retail sale price. This is determined in the free market and I'm not in a position to say whether there would be any increase. I would doubt if there would. With an increase in the tax, it would probably not be a propitious time for the merchants to increase the retail prices of the product.

The increase of five cents a pack of 20 or one quarter cent for each cigarette in a pack of 20 will yield about another \$50 million in round figures. As to what that will do to the market price, if anything it's conceivable that some merchants might not pass on the entire five cent increase. I would suppose, if they felt competition was intense or that people might smoke somewhat less, they'd be inclined to reduce the price to ameliorate the impact of the increase in the tax. I think we'll just have to wait and see. The fact of the matter is economists estimate an approximate revenue of \$150 or \$155 million in the coming year, as opposed to \$106 million for the fiscal year 1975-1976 just ended.

I must ask the member for Perth (Mr. Edighoffer) if he could clarify his question for me. I was interrupted momentarily in listening to him. Was the member for Perth asking about the amount of tax on inventory in the hands of the merchants at the time of the introduction of the budget?

Mr. Edighoffer: Yes.

Hon. Mr. Meen: The amount of the inventory as we estimate it, and we won't know until the returns are in some time in May, is such that it will with an additional five cents a pack generate a further \$2.5 million. As I've already indicated to some, there's provision in the bill for compensation to the merchants, for taking this inventory and remitting the proceeds of the sales to us when they complete their sales in the next couple of weeks following the budget, a commission of five per cent of the amount of that additional tax. That's a sort of one-shot compensation to the retail merchant and the same compensation exists for the 170 or so wholesale merchants who will likewise be taking inventory and remitting the proceeds along to us as they move the product out to the retailers.

I was interested in the comments by the member for Ottawa Centre (Mr. Cassidy) who suggested a 25-cent-a-pack increase and that his colleagues would probably support that too. Being a non-smoker myself, I think I'd be inclined to endorse that. The member for Lake Nipigon (Mr. Stokes) is waving a cigar at me, but of course that's not subject to any tax increase. I would warn him, though, that the next time it comes around not to expect such luck.

Mr. Stokes: Do you mean you slipped up this time?

Hon. Mr. Meen: This time round, with the increase in the tax on cigarettes we're bringing the level of taxation roughly in line on an ad valorem basis with the tax that is applicable on cigars and pipe tobacco. So next time perhaps if there is an increase it will be right across the board.

Coming back to the observations by the member for Ottawa Centre, one of the problems that would arise if we were to increase the rates so dramatically by, say, another 25 cents, rather than another five cents, is that there would be a significant amount of smuggling between provinces where there is a different tax rate. At this rate we're already pretty close to the maximum beyond which one might expect to see some kind of smuggling on a significant basis.

I might just point out that in Alberta the tax is only 7.2 cents for a pack of 20; in New Brunswick it's eight cents; in Quebec it's eight cents; in British Columbia it's 9.6 cents; in Nova Scotia it's 10 cents; in Saskatchewan it's 12 cents; with this addition of five cents on a pack of 20, ours is 14.2 cents; Manitoba is 15 cents so if there's any smuggling, it'll go in the other direction from Manitoba; Prince Edward Island is 16 cents; and New-

foundland is 20 cents. We're pressing upward and if we get any higher than the present proposed 14.2 cents, effective with this current budget, I think we could expect to see or at any rate encounter a significant amount of smuggling.

I think the member for Ottawa Centre also talked about increasing the tax rate gradually to discourage smoking. I'm advised the experience in other jurisdictions such as the United Kingdom where they tried doing this has sort of proved the opposite. It proved that the tax was an inelastic kind of tax and the degree of smoking simply rose along with the tax. There wouldn't be anything accomplished, in terms of reduction of consumption, by a slow increase in the rate. Indeed, it might be that the addition of five cents a pack might be the straw that breaks the camel's back with some of those who are trying to kick the habit. They might decide once and for all to knock it off and not to smoke any more.

Anyhow, the experience in the United Kingdom is contrary to the suggestion by the hon. member for Ottawa Centre. I might say that, as I indicated earlier, I would not be averse to an increase in the interests of a reduction of smoking if that were possible.

In reply to the member for Windsor-Walkerville (Mr. B. Newman) I had heard that some merchants didn't get their notifications and the details of the tax increase in time for Monday morning. I really don't know—we wouldn't want to be that rigid and inflexible. We would expect them to be honest with their inventory reporting. We'll be doing some audits but we would expect them to report honestly on their inventories and to remit the tax less the five per cent agent's commission.

Mr. Speaker, I must say that I thank the hon. members opposite for their indication of support of this bill.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 48, An Act to amend the Tobacco Tax Act.

Clerk of the House: The second order, House in committee of the whole.

ARBITRATIONS AMENDMENT ACT

House in committee on Bill 1, An Act to amend the Arbitrations Act.

Hon. Mr. McMurtry moved that the bill be amended by renumbering the present sections 2 and 3 as 3 and 4 and by adding thereto the following section:

2. Subsection 2 of section 3(1) of the said Act as enacted by the statutes of Ontario, 1973, chapter 28, section 4, is amended by adding at the end thereof "in default of agreement."

Hon. Mr. McMurtry: I might say, Mr. Chairman, this is a matter which was raised by the hon. member for Riverdale (Mr. Renwick) and as a result of his submissions I am proposing this amendment because I think it does certainly clarify the Act and prevent what might be perceived, at least by some, as a conflict between certain sections. I am very much obliged for the assistance of the hon. member in that regard.

Amendment agreed to.

Mr. Chairman: Shall the bill be reported? Bill 1, as amended, reported.

BLIND PERSONS' RIGHTS ACT

House in committee on Bill 13, An Act to provide for Certain Rights for Blind Persons.

Mr. Chairman: The hon. minister has an amendment to section 1 of the bill.

Hon. Mr. McMurtry: Yes, Mr. Chairman, I have several amendments.

On section 1 :

Mr. Chairman: Hon. Mr. McMurtry moves that section 1 of the bill be amended by adding thereto the following subsection: "3. This Act binds the Crown."

Mr. Roy: Just so I understand the purpose. I didn't get a copy of the amendment or the purpose of it, Mr. Chairman, and I took it for granted from reading the legislation that this legislation would bind the Crown in a sense that everyone operating under the Act, including the Crown, would be involved and would be subject to this legislation. I just don't understand the purpose of the amendment. I missed out on second reading, so maybe the minister could give me some explanation for this.

Hon. Mr. McMurtry: I can respond now, Mr. Chairman.

Mr. Chairman: Any further comments? If not, the minister can respond.

Hon. Mr. McMurtry: As a matter of fact Mr. Chairman, I was asked on second reading of this bill whether this bill would, in fact, bind the Crown. My immediate response was yes. On further reflection, it is fairly fundamental that the Crown is not bound by any such legislation except if the Crown is specifically named therein.

Although any Crown corporations or any facilities operated by the Crown in the right of the province would obviously abide by such legislation, looking at it from a technical but at the same time a legal sense, it is my considered opinion, after a little reflection, and as I indicated to that on second reading, that the Crown should be specifically named if the Crown is going to be bound. That is the purpose of that amendment.

Mr. Roy: You know, as a matter of interest, of countless pieces of legislation, and in fact legislation presently on the books where the Crown is not named specifically, and I am sure there is certainly case law. For instance, I will just give an example, the Highway Traffic Act. Officers of the Crown and operators of Crown vehicles are all subject to this law. I don't quite understand. To follow consistently with what you are saying here, I would think that we should start looking at every piece of legislation or many pieces of legislation that we have passed through this House and, in fact, make them specifically applicable to the Crown.

Somehow I get the feeling that it is not going to change this legislation very much if we make it applicable to the Crown. Certainly we approve of the fact that this legislation is applicable to the Crown, but it seems to us that it is somewhat redundant. If we were to follow the minister's reasoning and the consistency of that reasoning, I would think that with many pieces of legislation we would have to go back and say, "This legislation is applicable to the Crown."

[9:30]

Hon. Mr. McMurtry: My understanding with relation to legislation generally is that the Crown is often not named but always considers itself bound. In this particular case, the point was specifically raised by the hon. member for Sudbury (Mr. Germa) and it seemed to me appropriate therefore that it was a case in which we should not just adopt a position that the Crown would consider itself bound to reassure the member that the Crown would be in fact bound in law.

The member was particularly concerned with respect to accommodation operated or owned and maintained by the Ontario Housing Corp. I indicated to him, to assure him that it could never be raised, that we would amend the legislation in the manner that I have proposed. There is no question but that where the legislation is introduced it does affect the Crown and the Crown does consider itself bound. But from a narrow legal sense the Crown is not bound unless specifically named in the legislation I can't be any more specific than that. If they don't want to support the amendment, that is a matter for the hon. members opposite.

Mr. Roy: It is not a question of making a big issue of this. All I am saying is that, reading the legislation as in many other pieces of legislation, the way the legislation is breached is not through the Crown as an impersonal person but by certain people here. A person acting on behalf of private enterprise or acting on behalf of the Crown, I would say, is not only bound by a matter of discretion or good taste or whatever the Attorney General might call it but is bound in fact by law. I would think that, if a person as named in this section or in this Act were to deny accommodation or entrance, he is in breach of the Act whether he is acting on behalf of the Crown or anyone else.

I am just basing this on other legislation that we have passed in this House and other legislation which is applicable in the Revised Statutes of Ontario now. I am saying that I appreciate the member who posed the question wanted to make sure the Crown was in fact bound by this, but I respectfully differ with the chief law officer for the Crown this evening and say to him I don't think it's necessary.

Mr. Germa: I am very pleased to see that the minister chose to respond to my doubts as raised at second reading. Despite all the legalities and the technicalities as they pertain to other statutes in the statutes of Ontario, I think it removes any doubt whatsoever from this piece of legislation at least as to the fact the Crown is bound by the bill. If there are some doubts in other legislation, presumably we will have to take steps to ensure, if it is necessary for the Crown to commit itself to being bound, that every bill that has that potential in it is therefore corrected. But I feel as a layman very much more secure with the legislation as amended than it was as originally presented.

Mr. Renwick: And as a lawyer I share that.

Hon. Mr. McMurtry: If I might be permitted a further response in order to clarify this matter once and for all, I would refer my friend, the hon. member for Ottawa East, to the Interpretation Act as contained in the Revised Statutes of Ontario of 1970, chapter 225, section 11, which states as follows:

No Act affects the rights of Her Majesty, her heirs or successors unless it is expressly stated therein that Her Majesty is bound thereby.

I would trust that as a result you have learned something tonight from the senior law officer of the Crown in that respect.

Mr. Roy: Don't be too smug. I suspect you learned something as well, because you didn't have it in the original legislation.

Motion agreed to.

Section 1, as amended, agreed to.

Sections 2 and 3 agreed to.

On section 4:

Mr. Chairman: Hon. Mr. McMurtry moves that subsection 1 of section 4 of the bill be amended by striking out "Canadian National Institute for the Blind" in the first line, and inserting in lieu thereof, "Attorney General or an officer of his ministry designated by him in writing"; and further moves that subsection 3 of the said section 4 be amended by striking out "Canadian National Institute for the Blind" in the second and third lines, and inserting in lieu thereof, "Attorney General or an officer of his ministry designated by him in writing."

We'll take both of these together, since they're related, obviously.

Motion agreed to.

Section 4, as amended, agreed to.

Sections 5 to 7, inclusive, agreed to.

On section 8:

Mr. Chairman: Hon. Mr. McMurtry moves that section 8 of the bill be amended by striking out the word "January" and substituting therefor the words "July 1976."

Hon. Mr. McMurtry: I'm sorry; it would appear to have been just a mistake in the printing in relation to January as opposed to July, because obviously there will have to be some blind persons will have to have an opportunity to apply to the ministry and to receive their identification cards prior to the Act coming into force.

Motion agreed to.

Section 8, as amended, agreed to.

Section 9 agreed to.

Bill 13, as amended, reported.

COUNTY JUDGES AMENDMENT ACT

House in committee on Bill 14, An Act to amend the County Judges Act.

Hon. Mr. McKeough: Can we do this without the member for Wilson Heights (Mr. Singer) being here?

Mr. Roy: It's going to be tough. Maybe the chief officer for the Crown might advise us. I understand what the purpose of the legislation is, but I just would like to know as a matter of interest what supernumerary judges are paid at the county court level. I don't have the federal legislation here. Can you help me there?

Hon. Mr. McMurtry: I can give that to you in a moment. The supernumerary judges would continue on at full pay. They would have a choice: Either go on pension—which I guess would amount to approximately half their normal salary—or if they continue as a supernumerary judge they do continue at their regular pay. To put it in a colloquial sense, the supernumerary judges will tell you they are working for half pay but in effect the pensions that they could receive without working would amount to approximately 50 per cent. They do carry on at their regular salary.

Mr. Breithaupt: Mr. Chairman, the amendment the Attorney General is proposing is one with which I have some familiarity. It certainly appears to me this is a very useful way to allow certain judges to continue in service if they so wish to do. I have been apprised of some situations in which judges who are approaching retirement age will therefore be able to be of continuing use as they see themselves and as the Attorney General sees them as being in a position to render further service. I think the amendment is a most worthwhile one and I think that it will, hopefully—

Mr. Chairman: May I remind the hon. member this is committee? Do you have an amendment to any particular section?

Mr. Breithaupt: No, I am just talking with respect to this section 3.

Mr. Chairman: Which section?

Mr. Breithaupt: Section 3, Mr. Chairman, which allows this matter of the supernumerary judge to be brought before the House. I think it's a most worthwhile amendment and is going to be quite useful, particularly in dealing with some of the backlogs in certain courts.

Mr. Chairman: Are there any other comments on any other section of the bill? Shall the bill be reported?

Bill 14 reported.

Mr. Ferrier: You have an agreeable House tonight.

MEMBERS OF COMMODITY BOARDS ACT

House in committee on Bill 5, An Act respecting Members of Commodity Boards.

Mr. Chairman: Any comments or amendments to any section of Bill 5?

Mr. Renwick: On Bill 5, I had raised a question on second reading in relation to section 4 and a question on section 5. The minister had been kind enough to discuss the matters with me earlier and I wondered what his intentions are with respect to the proposed amendments I had suggested.

Hon. W. Newman: Mr. Chairman, I have an amendment to section 4.

Sections 1 to 3, inclusive, agreed to.

On section 4:

Mr. Chairman: Hon. W. Newman moves that subsection 1 of section 4 of the bill be amended by striking out "within six weeks after the fact" in the second line and inserting in lieu thereof "where it", so that the subsection reads as follows:

Subject to subsections 3 and 4, a producer or the commodity board may, where it comes to his or its knowledge that a member of a commodity board may have contravened subsection 1 or 2 of section 2, apply to the proper tribunal by notice in writing for a determination of the question of whether or not the member has contravened subsection 1 or 2 of section 2.

Mr. Riddell: Just for clarification, is that intended to remove any limitation problems? What is the purpose of removing the six-week portion of that clause? In other words, if, after a year's time, a producer decides he wants to expose a member of the board for some contravention of the rules and regula-

tions, he can so do. Is my understanding of this correct?

[9.45]

Hon. W. Newman: This removes the time frame within the bill which we set out. We felt that if he knew about an infraction he should move within six weeks. He only had six weeks to make up his mind. There are times when a member of a board may have been on a board with other board members, and of course when he is reappointed or re-elected to a board would still give him the opportunity, it's really taking out the time frame.

Mr. Gaunt: Just on a matter of clarification, Mr. Chairman, in the minister's best judgement, does he consider that there should be no time limit at all? One could logically pose the question, when does the finality set in in this procedure?

Mr. Renwick: When he ceases to be a member of the board.

Mr. Gaunt: When he ceases to be a member of the board?

Hon. W. Newman: Yes, when he ceases to be a member of the board he would automatically come out of this situation, but as long as he is a member of the board the time frame is taken off.

Mr. Gaunt: I see, okay.

Mr. Chairman: Any further comments? Shall the minister's amendment carry?

Agreed.

Mr. Chairman: Any other amendments or comments to any other section of the bill?

Mr. Renwick: Mr. Chairman, I raised a further question on section 5 and perhaps the minister has an amendment. If not, he might care to comment about it.

Hon. W. Newman: Yes, Mr. Chairman, under subsection 3 of section 5 of the bill, I am going to be taking out the word "shall" in the sixth line and inserting the word "may" in lieu thereof. What I am saying, in effect, is that the board may, if it so desires depending on the circumstances of the case, return the deposit that is made.

Hon. W. Newman moved that subsection 3 of section 5 of the bill be amended by striking out "shall" in the sixth line and inserting in lieu thereof the word "may."

Mr. Chairman: Does the amendment carry? Agreed.

Mr. Chairman: Any other comment on any other section of the bill? Shall the bill be reported?

Bill 5 as amended reported.

DRAINAGE AMENDMENT ACT

House in committee on Bill 6, An Act to amend the Drainage Act, 1975.

Mr. Chairman: Any comments on any section of Bill 6?

Mr. Renwick: Mr. Chairman, I had raised a point on subsection 2 of section 2 of the bill, and my friend from Kitchener had concurred in it. Perhaps the minister is going to propose an amendment.

Hon. W. Newman: No, Mr. Speaker, I don't propose an amendment at this particular point in time. That's section 2, subsection 5: "No referee or acting referee shall practice as a solicitor or barrister in any matter arising under this Act or act as legal agent or adviser in any such matter." I don't propose to change that amendment at this point in time.

Mr. Renwick: I am content. I was batting .666. That's pretty good.

Mr. Chairman: Any further comment? Shall the bill be reported?

Bill 6 reported.

SUCCESSION DUTY AMENDMENT ACT

House in committee on Bill 26, An Act to amend the Succession Duty Act.

Mr. Chairman: Any comment or amendment to any section of this bill? If so, what section?

Mr. Good: Section 8.

Mr. Chairman: Anything prior to section 8?

Mr. Renwick: Yes, Mr. Chairman. I want to have a very brief discussion with the minister on the question raised by the change in his definition of the word "transmission" in the Act, and particularly to draw to his attention the provisions in the report of the Ontario Advisory Committee on Succession Duties, which recommended that we depart from the concept of a transmission and substitute for it the concept of succession.

Mr. Chairman: May I ask what section the hon. member is dealing with?

Mr. Renwick: I am speaking, I believe, to section 2, subsection 2, Mr. Chairman.

Mr. Chairman: Thank you.

On section 1:

Mr. Renwick: I don't intend to prolong it, but I would like to read a brief synopsis of the recommendation made by the advisory committee.

The committee recommended that the present transmissions basis of taxation be replaced by an accessions basis. It must be noted that the accessions basis of taxation recommended by the committee and, in fact, adopted recently in the model Succession Duty Acts of several provinces of Canada, can be a very effective weapon against avoidance of duty by wealthy individuals who have left or plan to leave Canada and establish domicile and residence in tax haven jurisdictions such as the Bahamas or Bermuda.

The adoption of the accessions basis would mean that even if such an individual transferred all his Canadian property to a holding company incorporated in a tax haven jurisdiction, so that his own property then consisted of securities of this company which are not regarded as properties situate in Canada, if his beneficiaries were resident in a province where an accessions basis of taxing for succession duty was in force, they would still be subject to succession duty on the death of the non-resident devisee. In the report of the Ontario commission on taxation in 1967 it was accepted that there appears to be no legal reason why Ontario could not tax anyone in Ontario with respect to property he receives from any source and situation and anyone, no matter where he lived, with respect to property in Ontario and the committee has accepted this proposition.

The recommendation to implement an accessions basis of taxation is clearly an improvement over the past but is certainly not an unexpected move. It would bring Ontario into line. I wonder if the minister would care to comment, regarding his enlargement of the definition of transmission to cover the two situations which the proposed amendment does cover, but in particular the first one to include in it foreign real estate passing from a person domiciled in Ontario to another person domiciled in Ontario, why he didn't go the whole road and adopt the accessions basis in the statute and so protect the Ontario economy so far as the disappear-

ance of considerable wealth from the province is concerned. I realize, of course, that there is now a departure tax under the Income Tax Act of Canada.

Hon. Mr. Meen: The hon. member, when he talks of a departure tax, is speaking of money moving out of the country.

In the case of the recommendation for the accessions basis rather than a succession duty applied on a transmission, I am advised that only two provinces in Canada now have the accessions basis for the purpose of taxing the transmission of wealth. We here in Ontario—I mentioned this during the debate on second reading—are still looking at this, and I am hoping that in the next six months or so we will have a pretty substantial reworking of the Succession Duty Act. I must say that particularly with respect to the application of rates and the complex rate structure as it exists; I would hope we can replace that with something a lot simpler.

In the course of doing this, we are also looking at the recommendation of the committee as to accessions. But it doesn't strike me that it is necessarily likely to be any more successful than what we presently have with our application of duty on a successor, the beneficiary here in Ontario, and now, under this amendment, bringing in a transmission of real estate as well as a transmission of personalty, as presently exists in the Act. Bringing in "foreign" realty as a taxable transmission in the hands of a successor who is here in Ontario, where we have already the right to tax realty per se here in Ontario—we have the right to tax individuals as beneficiaries or successors in Ontario—is how we approach the realty side of things by way of defining realty now to come under the definition of a transmission.

I am not sure whether the accessions route would be successful in a province or a state in which they didn't have a similar kind of taxing provision. Perhaps the member for Riverdale could enlighten me as to how that would work. Maybe it would. But what does one do, for example, with the Province of Alberta, as one illustration, where there is no succession duty or anything equivalent to our Succession Duty Act, unless one has provisions of this sort.

It may be—and my advisors can clarify for me sometime—that going by the accessions route one could successfully tax without a mutuality of application of that kind of tax in another jurisdiction, I don't know.

All I know is that under our Succession Duty Act, as it stands, we have been losing

potential succession duty by the loophole, if I can call it that. I think it is, in the colloquial, one of those large ones through which people could drive a Mack truck.

A potential testator could dispose of assets here in Ontario, assets otherwise dutiable, and use those assets to purchase real estate in another jurisdiction in which, let us say there is no succession duty—or there is a rate of duty substantially less than here in Ontario, thereby making it attractive to do that—and then set up or leave the real estate to his intended beneficiary, particularly those outside the jurisdiction.

In the case of those in the jurisdiction, he could set up a company—and that's the second subsection (ii), under the new definition of transmission—in which his intended beneficiaries are shareholders. Now if the company is a shell of a company, then the gift of those shares to his intended beneficiaries would be a non-taxable gift; they would be virtually valueless shares.

As I understand the technique, then he would leave the real estate to the company that he'd set up and on his death the company would then be the beneficiary. But being a non-resident company, as it would be established, then there would be no duty attracted by that bequest of the realty to a corporation outside the jurisdiction. Then the company would be wound up and the proceeds of winding up would then be distributed to the shareholders here in Ontario and they would receive the money completely free of succession duties; unless we have this kind of definition under the Act.

This is what we're proposing at this stage. If it should turn out that in the further and more extensive reworking of the Succession Duty Act we determined that the recommendations of the committee by way of accession were perhaps more appropriate and easier to work into an Act, certainly I'd be the first to adopt it. We are endeavouring where possible to simplify the entire legislative picture here on succession duties, which I would be the first to confess is an extremely complicated picture at the present time.

Mr. Renwick: Mr. Chairman, I only want to make two comments. One is that in the effluxion of time what was a hallowed principle of taxing law, that one didn't tax foreign real estate, now becomes a loophole big enough to drive a Mack truck through. I suppose it was true that both for jurisdictional purposes and for taxing purposes, there was no more hallowed principle of succession duty law, you didn't tax foreign real estate.

But are we now going to tax foreign real estate?

Hon. Mr. Meen: No, with respect Mr. Chairman, that's not what I was saying. I was saying we were taxing the transmission of an interest in foreign real estate, but we are really applying the tax to the successor here in Ontario.

Mr. Renwick: I understand.

Mr. Reid: Yes, you are taxing foreign real estate.

Hon. Mr. Meen: No we're not.

Mr. Renwick: Mr. Chairman, all I'm saying is that you overruled the principle in *Penn vs. Lord Baltimore*.

Hon. Mr. Meen: No, that is the next point.

Mr. Renwick: That was decided in 1750. But I do want to make this point—

Mr. Reid: I remember that case well, as I am sure the minister does.

Mr. Renwick: There are the three points of contact: That is, a person domiciled in Ontario, where his property passes on death to a person domiciled in the Province of Ontario, of property in Ontario, no problem; right?

Then we go to the transmission situation where you have a person domiciled in Ontario leaving property passing on his death to a person domiciled in Ontario. When there's personal property outside Ontario we tax him under the technical definition of transmission.

We have now extended the technical definition of transmission to provide that a person domiciled in Ontario, leaving property passing on his death to a person domiciled in Ontario of personal property and real estate not in Ontario, will be subject to the tax.

[10:00]

All I'm saying is why don't you drop the second of the three spokes and provide that any property, anywhere, regardless of the domicile of the person who is dying, passing on his death to a person domiciled in Ontario, should not be taxed to the person domiciled in Ontario on the very same theory as you've made this extension?

I'm not going to elaborate on it. I think the minister and I have had the exchange I wanted to have and I'm satisfied as long as he's thinking about it.

Hon. Mr. Meen: I just wanted to say that having covered realty and having covered personalty, one would think that one could then generalize and talk about all property.

Mr. Renwick: And regardless of the domicile of the devisee.

Hon. Mr. Meen: However, that would probably require quite a number of other things. I thought the hon. member was talking about the devisee still being here in Ontario.

Mr. Renwick: The deviser, sorry.

Hon. Mr. Meen: In any event, if we're talking in that terminology it would probably require a fairly extensive rewrite of the Act and we're not trying that in this set of amendments. This is what I hope will come about in the not too distant future.

Mr. Chairman: The hon. member for Waterloo North (Mr. Good) indicated he had something on section 8. Anything previous to section 8?

Section 1 agreed to.

On section 2:

Mr. Renwick: On section 2, I just wanted to make the comment that rather than allow the deduction for succession duty purposes of all solicitors' fees, you could remove the \$100 fee as the deduction in the Act for the administration of the estate.

Mr. Good: Raise it and make it realistic.

Mr. Renwick: I don't know why you didn't choose the other route.

Hon. Mr. Meen: As a matter of fact, there was the suggestion that we could perhaps go the other way and allow the entire amount, but in order to make that determinable at the time when the return is prepared and filed, it seemed more sensible to us, since the \$100 has tended to cause more confusion as between client and solicitor than it has ever worked as a benefit to clients, that we should simply remove it at this time.

Hon. Mr. McKeough: They won't even open the door for \$100.

Mr. Renwick: We would take a telephone call.

Mr. Chairman: Section 8. The hon. member for Waterloo North.

Mr. Good: Thank you, Mr. Chairman. I'd like to discuss briefly the revisions here.

Sections 2 to 6, inclusive, agreed to.

On section 7:

Mr. Renwick: Mr. Chairman, if I may, with my friend's consent, could I just ask an explanation on section 7 from the minister?

Mr. Chairman: Section 7. Do you have a question?

Mr. Renwick: Yes. I would like the minister to explain the meaning of the addition of subsection 3 to section 25 of the Act.

Hon. Mr. Meen: Perhaps the best way to explain this would be to give an illustration to the hon. member, if I could.

Mr. Renwick: Please.

Hon. Mr. Meen: In short, before I give you the explanation, perhaps I would point out that sometimes foreign real estate forms part of an estate and sometimes there are foreign beneficiaries. The testator may or may not have made specific allocation of assets within his will. If he did not make such specific allocation, then one must treat the distribution of the residue as a general package, and only if the testator has specifically allocated a foreign asset to a foreign beneficiary would that then be appropriate to designate to the foreign beneficiary where a different kind of tax rate—perhaps nothing at all—would apply.

The illustration that I could give the hon. members would be, let us say, an estate of \$1 million, with an asset mix of, say, foreign realty of \$200,000, of foreign personalty of \$100,000 and of Ontario property forming the balance of \$700,000, making in all a total of \$1 million.

Let's assume that the beneficiaries are four children and all four children taking equally. Let's assume that one of them is a non-resident and let's assume that the other three are residents in Ontario. As the Act presently stands, the executor could allocate most of the foreign property to the foreign beneficiary with no tax being paid on it by that foreign beneficiary. For example, the non-resident child in this case could receive the whole of the foreign realty of \$200,000 and a half of the foreign personalty of \$50,000, thereby receiving his one-quarter interest in the estate of \$250,000 allocated by the executor completely free of tax.

The three resident children would receive, according to the will, three-quarters of the residue—three-quarters of the estate at \$750,000—and they would pay 17.5 per cent on that particular size of estate, making it a duty of \$131,250—and that would be the total duty that would be recoverable.

Under this amendment, we would preclude the executor from allocating the foreign property and all four children would share equally in the estate assets, just as exactly he says in the will that they shall do.

So, we would then have the one non-resident child receiving a quarter of the foreign property—and a quarter of \$250,000 is \$62,500—and there would be no tax on that, remember. But he would receive a quarter of the Ontario property—also \$175,000 at 17.5 per cent, or a tax of \$30,625 to make up his total, one-quarter interest on \$250,000. The three resident children, they would receive three-quarters of the foreign property—that works out at \$225,000 at 17.5 per cent, or \$39,375; and three-quarters of the Ontario property, \$525,000 at the same rate of 17.5 per cent for another \$91,875. You add those together and they then pay \$131,250 as before. So they haven't paid any more, but what the Succession Duty Act has then recovered for the people of Ontario is a total \$161,875, or an improvement of \$30,625.

On the Act, as it presently stands, that apportionment would be shown to us—that is, the original apportionment would be shown to us—for the purpose of duty. And then, presumably, the beneficiaries would all share and share alike in the net proceeds—having defeated the Act to the extent of \$30,625. That's what this amendment is intended to remove.

Mr. Renwick: I just want to try to clarify two points in what the minister has said. We are assuming that we are talking about the wills or testamentary instruments of relatively wealthy people who can afford the luxury of advice as to what they should do.

I take it that if testator makes his will and makes a specific bequest of particular property to a particular person, that this does not in any way affect that kind of specific bequest, whether it is of real estate or personal property?

Hon. Mr. Meen: That is correct.

Mr. Renwick: All right. I then take it that the kind of situation that the minister is talking about—well, let me put the other situation. If there is a shall-call-and-convert-into-money obligation and the executor shall call in and convert into money the whole of the estate and then divide it among the beneficiaries of the estate, being more than one—again no problem.

Hon. Mr. Meen: Mr. Chairman, I would think that would be the kind of situation in

which, without a specific bequest of a specific legacy—by way of, say a foreign asset to a foreign resident—that, where one has the more or less common provision that “my executor shall call in and convert into money any assets of my estate not consisting of money” and so on, that then he has realized by way of instructions under the will all the assets. He is then not in a position to allocate a foreign asset in specie, or otherwise. If he realized on the foreign asset certain foreign moneys he could not use those foreign moneys to pay a foreign beneficiary and say, “That's the way we are doing it, and so we will treat it for succession duty in that way.” This section rules out that kind of apportionment or distribution of the money.

Mr. Renwick: I think we were for a moment talking in the same language, and then I think we diverted. If there is a strict instruction that the executor shall call in and convert into money all of the assets, the executor does so and he converts it all into Canadian dollars. His obligation then is to divide it among five beneficiaries in equal shares; he so divides it in dollars and he pays cash to each of them. No problem. Am I correct in that?

Hon. Mr. Meen: Yes. I agree. I thought the hon. member was suggesting that having got the money into a common pot he would then make a distribution but for tax purposes would show a different kind of distribution. As long as he shows the distribution on that basis there would be no problem as I would see it.

Mr. Renwick: The only purpose of this section then is in the third situation. That is when there is no obligation to sell, call in and convert into money and distribute the money in equal shares but there's an obligation to transfer equal shares of the estate to five beneficiaries. He chooses to value the various types of assets and comes to an agreement with the beneficiaries as to who is to accept what asset in lieu of his interest in the estate. If he does it then in such a way that the Treasury or the Ministry of Revenue of Ontario is not satisfied that it is getting the proper amount of tax to Ontario, the minister can say, “Regardless of what you have done, we are going to establish what the allocation was in order that we will get the proper amount of Ontario tax.”

Hon. Mr. Meen: I think I find myself in agreement with what the hon. member is saying. May I put it another way? Provided

the will provides for the allocation of, let us say, foreign assets to a foreign beneficiary this section does not apply to rewrite the terms of the will. What it does do is to provide that in default—I think I am correct in this—of some specific provisions as to allocations which are of such a nature as to reduce the tax.

Mr. Renwick: Let's try the third one just once more and then if not, we can talk about it privately at some other time.

The third situation I am thinking about, which appears to me to be the one this amendment is directed toward, is a situation in which there are no specific bequests of specific property; there is no obligation on the executor to sell, call in and convert into cash, which is the second situation. The third situation is where there are divers assets situated in divers jurisdictions which the executor is called upon to value and then, in his decision, to direct an equal share in accordance with the valuation of particular assets to the five beneficiaries. He selects the real estate in Florida to go to daughter X living in Hawaii and some other asset to go to somebody else in some other jurisdiction and the minister feels that the person in Ontario is not paying the proper share of tax on that estate. That is the purpose for which this clause, this proposed amendment, is before us.

Hon. Mr. Meen: That's exactly the situation to which I would envisage this section applying. When the testator has not specifically directed a particular asset or the proceeds of the sale of particular foreign assets to go to a particular foreign-domiciled beneficiary the executor cannot then use his discretion subsequently for the purpose of reduction of duty.

Mr. Good: I am concerned, Mr. Chairman, over the manner in which the problem which was spoken of by the minister the other day has been handled under this amendment.

[10:15]

We are talking about the valuation of bequests of income to a surviving spouse who would have, I presume, a life interest in an estate and how that valuation is calculated in reducing the estate for tax purposes. I think it is very important. As the minister indicated the other day, the value is computed on the basis of the life expectancy of the surviving spouse, either under the terms of the will which says she or he should get a certain percentage or, if there is no percentage of that income mentioned in the terms of the

will, then their practice had been to make the computation at four per cent income per year. Well, we do know that it's not hard to realize more than four per cent, but there's an important point here. Estate planners tell me, in talking to them about this, that very often where there are reciprocal wills between spouses leaving a life interest, it is the intention to have one estate in a manner that it would just fall below the taxation level. Unless the person is able to ascertain how you are going to compute that valuation of that income it's going to be very difficult to effectively plan so that one estate is just non-taxable while the other one could be either non-taxable or taxable.

I think one has to bear in mind, first of all, that that income going to the surviving spouse will be taxed in the hands of the spouse as income tax. It will be taxed on the death of the surviving spouse if that surviving spouse then has a taxable income. In effect, if you don't get it then you're going to get it later. That's about the size of it.

I believe that your method of handling this, where you simply say that you may make regulations, not saying what they're going to be, or how you're going to compute the valuation of that life interest, is just not good enough when it comes to estate planning in this particular category where you would be dealing with an estate that could in fact be taxable.

The estate itself may be made of quite a bit of non-revenue-producing assets, which could have a bearing on the actual life interest of the surviving spouse. But I believe it's going to be most difficult for those engaged in the estate planning field to adequately figure out how your valuation is going to be done when you say you're going to give the guidelines by regulations in those instances where a certain percentage of the estate is designated as income interest to the surviving spouse.

Now, what do you plan to do about it? Do you plan to make public in the very near future what the new rules will be, or how will this be dealt with? Do you expect people to just grope in the dark? When you get into estates which are potentially taxable you're talking about a lot of money, because the primary rate will apply to the whole estate, even if it's just a few thousand dollars over the \$250,000 exemption.

I would be pleased to have an answer and to suggest that your method of treating this apparent problem that you had designated the other day is not very satisfactory when it comes to estate planning.

Hon. Mr. Meen: Mr. Chairman, the present table and the present provision are turning out to be unsatisfactory in today's economy, where good, secure, first-rate investments can be made at 10 per cent plus, whereas the present tables, which combine life expectancy—the table used for the purpose of computing the value of an income annuity, I'm talking about—assume the life expectancy of the beneficiary and work into that a figure of assumed interest at four per cent, as the hon. member has stated and as I've stated in the debate on second reading.

In the illustration I gave yesterday, when we were dealing with this on second reading, the 57-year-old female surviving spouse would have a life expectancy of 19.6 years. That wouldn't be the figure that would be presently used. The figure under the tables would be, as I recall, 12.2 multiplied by the rate of return designated under the will of eight per cent on \$1 million, or \$80,000, which comes out to something like \$960,000 or so.

This is the kind of problem we're facing where the present provisions in the Act develop a present value for the income so close to the capital value, and in some cases exceeding it—and remember the surviving spouse is succession-duty-free by our recent amendment—so only the difference that then exists between that present value of the annuity and the capital value of the estate is then subject to tax in the hands of the remaindermen. This is turning out to be a very convenient way to almost completely wipe out succession duty, otherwise payable in the hands of, say, collaterals or descendants who would pay some level of tax.

What we are proposing to do here is to seek the assistance and advice of actuaries who, we think in a day or so perhaps, can give us a set of calculations that can be used. I am not an actuary. I really have no idea how they would be likely to recommend to us that we approach this problem. But we are anxious to have the authority to bring in a regulation that would reflect more accurately the present value of an annuity of that sort—say, \$80,000 on a \$1 million estate, and that's not hard to achieve; that's a pretty realistic kind of income over the life expectancy of that widow.

Her life expectancy, according to our tables—and they are not even updated tables; we would like to update those life expectancy tables—her life expectancy is 19.6 years. If you put that into your pocket computer at present interest rates of, say, 10 per cent, and 19.6 payments of \$80,000 at 10 per cent, the

present worth of that kind of annuity, as I worked it out, is \$676,464, showing the disparity—and that amount, remember, would not be subject to duty; that part would be free—but the excess between there and \$1 million would be subject to tax.

That's the kind of area we are talking about, and the regulations that I would expect we can work out would reflect that kind of figure, when the actuaries are able to give us updated life expectancy tables and current interest rates, or a method of use of current interest rates.

That's what we are proposing, and I will be asking actuaries to get into this immediately the bill is passed.

Mr. Good: On section 2, Mr. Chairman: First of all, if the terms of the will did not designate a percentage of the estate to be transferred as income to the person with the life interest, would you then continue on with your present formula using the five per cent interest?

Hon. Mr. Meen: Five per cent. Yes, we presently assume five per cent.

Mr. Good: Five per cent. What formula is presently used for the computation of the valuation of the power to encroach by the surviving spouse, because the amendment says whether this income is paid out of capital or income or periodic payments? How do you calculate, for this purpose of estate reduction, the value of power to encroach at, say, the discretion of an executor who is not the surviving spouse?

Hon. Mr. Meen: Mr. Chairman, I have no idea, to tell you the truth. I don't think, since it is discretionary, that we could take that into account, but I really don't know, if it is completely discretionary and it normally is; otherwise the power to encroach is meaningless, with the discretionary power in the hands of the executor. In other words, if you are trying to isolate it from the life tenant as an asset of the life tenant for succession duty purposes, you can't give the life tenant the unfettered right to encroach. So I really don't know; I would imagine that it would be calculated on the assumption that there were no encroachment.

Mr. Good: Are you saying you don't put any valuation on that?

Hon. Mr. Meen: I don't believe so, but that's really not part of this section. I must confess I am not fully knowledgeable.

Mr. Good: Well, it certainly is, because the amendment says "whether this entitlement is paid out of income or capital."

Hon. Mr. Meen: No, no, that's not the point. There is a specified rate of return on the capital. All that means, to follow along on the point the hon. member for Waterloo North was making, some of the assets may not be income-producing. Therefore, they may be saying: "Well, okay, if you're only making \$40,000 out of income, I still want my widow to receive \$80,000 or a net effect of eight per cent on the capital." A portion of that obviously, in that case 50 per cent of the amount being paid out, is out of capital.

Mr. Renwick: Why is the regulatory power made effective as of a date not earlier than March 17, 1976?

Hon. Mr. Meen: Having signalled our intention by the introduction of the bill on that date, I did not feel it appropriate it should go back farther than that date.

Mr. Renwick: I see.

Mr. Chairman: Shall the bill be reported?

Bill 26 reported.

Hon. Mr. Meen moved that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report three bills with amendments, three bills without amendments and asks for leave to sit again.

Report agreed to.

THIRD READINGS

The following bills were given third reading upon motion:

Bill 1, An Act to amend the Arbitrations Act.

Bill 5, An Act respecting Members of Commodity Boards.

Bill 6, An Act to amend the Drainage Act, 1975.

Bill 13, An Act to provide for Certain Rights for Blind Persons.

Bill 14, An Act to amend the County Judges Act.

Bill 26, An Act to amend the Succession Duty Act.

Hon. Mr. Meen: Mr. Speaker, tomorrow we will have legislation regarding the Sault Ste. Marie teachers, beginning at 11 o'clock. Then I understand that we'll receive the Liberal contribution to the budget debate after the routine proceedings and then we'll resume the teacher legislation if required. Following that, we'll continue with legislation.

Mr. Renwick: Mr. Speaker, I take it the routine proceedings will be at 2 o'clock?

Hon. Mr. Meen: Yes, that is correct.

Mr. B. Newman: Will we rise at 6 o'clock?

Hon. Mr. Meen: Yes, that is the intention.

Hon. Mr. Meen moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

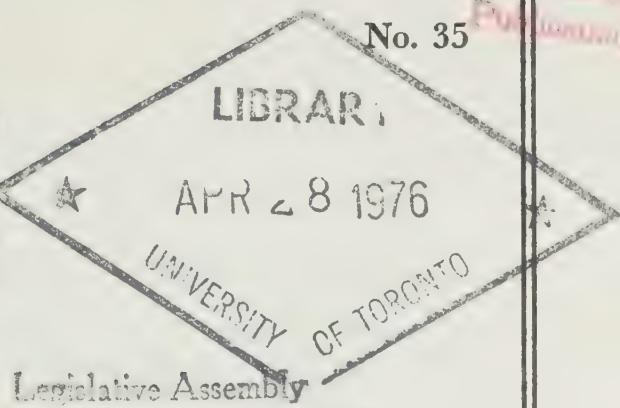
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Wells, Hon. T. L.; Minister of Education (Scarborough North PC)
Wildman, B. (Algoma NDP)



Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, April 14, 1976
Morning Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

WEDNESDAY, APRIL 14, 1976

The House met at 11 a.m.

Prayers.

Hon. Mr. Welch: Mr. Speaker, before calling the order that we had arranged to have debated this morning, I have a motion I would like to make.

Hon. Mr. Welch moved that the standing private bills committee be authorized to sit concurrently with the House today.

Motion agreed to.

Hon. Mr. McMurtry: Mr. Speaker, before the orders of the day, I am sure all the members of the House would like to join with me in welcoming approximately 34 students from Blythwood Public School.

Some hon. members: Oh, oh.

Mr. Speaker: Order, please. May I just point out to the hon. minister that the procedure has been changed for some time now and we do not introduce schools. They are certainly welcome.

Hon. Mr. McMurtry: I am sorry; this may be the last time. They are with their teacher, Mrs. Hamilton, in the east gallery.

Mr. Sweeney: You should know the rules and regulations.

Mr. Foulds: New boy!

Interjections.

Mr. Speaker: Order, please. We are always pleased—

Mrs. Campbell: The Attorney General doesn't know the rules!

Interjections.

Mr. Speaker: Order, please. This is not a very good display for our young visitors in the gallery, I assure you.

Mr. Ruston: It was not a very good display by the Attorney General either.

Mr. Deans: A typical Liberal display.

Mr. Speaker: Orders of the day.

SAULT STE. MARIE BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Mr. Wells moved second reading of Bill 52, An Act respecting the Sault Ste. Marie Board of Education and Teachers Dispute.

Mr. Speaker: Does the hon. minister wish to make a statement at the beginning?

Hon. Mr. Wells: Mr. Speaker, Bill 52 is a piece of legislation to bring to an end the collective bargaining dispute in Sault Ste. Marie, or to cause it to be brought to a conclusion.

Negotiations between the secondary school teachers, about 405 of them, and the Sault Ste. Marie Board of Education began back in March, 1975, and were for a contract which ended on Aug. 31, 1975. They proceeded through the usual stages and, as with some of the other matters we have debated in this House, the coming into effect of Bill 100 occurred in the midst of the negotiations.

After Bill 100 became law in this province, the procedures set down in Bill 100 were followed in this dispute. A fact-finder was appointed; Mr. George Ferguson. He carried out his duties and presented his report to the parties in late November. Various mediators appointed by the Education Relations Commission tried to assist the parties in arriving at a conclusion to this dispute. The fact-finder's report was made public in December.

The matter was again negotiated and mediated. However, on Jan. 14, 1976, a vote was held in which 71.5 per cent of the teachers and this last offer was rejected. A vote was held in which 71.5 per cent of the teachers voted to take strike action against the Sault Ste. Marie board.

Again, a mediator was appointed by the Education Relations Commission after the strike vote was held and in the period from Jan. 30 to Feb. 5, mediation took place. However, it was not successful in helping the parties to reach a negotiated settlement and the official state of strike against the Sault Ste. Marie board began on Feb. 5.

At that time it took the form of a work to rule. On March 3, the strike changed course and rotating strikes occurred at different schools—the seven secondary schools in Sault Ste. Marie—at different times for a day at a time. Various of the schools were closed down in what as I say, Mr. Speaker, was a rotating strike. This changed to a full closing of all the schools on April 2 at which time all the schools, as I say, were closed and a complete state of strike was in effect against the Sault Ste. Marie Board of Education.

On April 7 the Education Relations Commission held a hearing in Sault Ste. Marie—that's a week ago—and listened to presentations by both sides. I think it also had presentations from some students at that particular hearing. The report to me—I should say the report to the government—indicated, unlike other reports to the government, that the Commission was not recommending that the pupils' programmes were in jeopardy and therefore it was not recommending that we take legislative action.

Today this strike is in, I guess, its ninth day; actually, if we take the rotating strikes into account, it's about the 12th day. The pupils have missed 12 days of school.

Mr. Deans: It hardly justifies this bill.

Hon. Mr. Wells: However, there has also been some type of disruption because of the strikes occurring since Feb. 5, 1976.

I met with the parties, both of them, in Toronto on March 18 in an attempt to see if there wasn't a way to resolve this matter. It seemed that the way to resolve it was through some kind of arbitration process, be it final offer selection or voluntary binding arbitration. The teachers at that meeting on March 18 seemed, from my impression, very willing to go to some form of third party settlement of this matter. The board, however, did not seem inclined to want to put the dispute to this kind of settlement.

Mr. Deans: There's something wrong with the boards across this province.

Mr. Speaker: Order.

Hon. Mr. Wells: It occurred to me, or it certainly was clear to me during my discussion, that there was a difference of opinion as to what really remained in dispute—whether it was to be a one-year or two-year contract; whether there were 20 items besides the money or whether there were six items that were still in dispute. At that time, on March 18, I suggested a representative of the teachers and the board get together to try to

whittle down and put on paper what were actually the matters that were in dispute. Then both sides could look at those and see if they couldn't arrive at a basis for going to some kind of arbitration, since they appeared unable to negotiate a settlement themselves.

I just have to say, as I've said in every one of these matters, I believe that the best way for these disputes to be settled is through a negotiated settlement. Indeed, that is how most of them have been settled in this province, and let's make that point very clear again. I think we've had 203 contracts since Sept. 1. We have talked about four or five in this House, and there are perhaps a few others that have caused enough problem to rise to a higher degree of attention than just in their local area. But that is a very small number compared with the number that have been settled. So let's not think we are now interfering in the total process.

Even though we have brought legislation in, I draw to the attention of my friend that there have been many of these matters settled by negotiations between the boards and their teachers. In other words, everybody hasn't stonewalled negotiations because we brought legislation in on the Metro Toronto teacher situation. There have been lots of settlements since then between the two parties working and bargaining in good faith.

Mr. Deans: Do you think what you are doing is really justified?

Mr. Speaker: Order, please. Everyone will have an opportunity to debate.

Hon. Mr. Wells: Yes, I do. I wouldn't be doing it if I didn't think it was justified.

Mr. Laughren: It is just nine days.

Hon. Mr. Wells: Well, it's not just nine days; it's a dispute, or a contract negotiation, that has been going on since last March.

Mr. Foulds: Since last August.

Hon. Mr. Wells: The contract expired on Aug. 31.

Mr. Deans: So what?

Hon. Mr. Wells: There appears to be no way that this is going to be resolved. The members opposite are going to have to take my judgement on that as against theirs, and I agree they won't take my judgement on that particular matter.

Mr. Laughren: Is this the new level? Nine days rather than 35 days?

Hon. Mr. Wells: But the fact of the matter is that there is another dimension to this dispute; there is another dimension that leads me to introduce this piece of legislation. I don't agree with the things that have been done, but there have been certain things done in the bargaining up there, and probably on both sides—and I think my friend talked about that in his remarks yesterday—that are leading to a state of very bad relations between teachers and school boards.

Pay has been cut. Vice-principals have been taken and put in certain situations. Indeed, I got word yesterday that the teachers were going back and the schools would be open today. I now receive word that actually the board closed the schools today. In fact, instead of the schools being open today, they are closed, and I gather they will not open until next Tuesday as this bill suggests.

Mr. Foulds: The schools would be open today if you hadn't brought this bill in.

Mr. Speaker: Order, please.

Hon. Mr. Wells: No, the schools wouldn't be open today if I hadn't brought the bill in. Yes, the schools would be open in the sense that the board wouldn't have officially closed them, but there would be no teachers in the schools today.

Mr. Martel: It gets easier every time.

Hon. Mr. Wells: The situation is that in that community there is a kind of feeling developing that I don't think we can let develop. The only way, and I reiterate it again, the only way we can have quality education in this province is to have good teachers in the schools and a high level of morale. That's what we don't have in some areas of this province and I'm not going to go into the reasons because the members opposite don't agree; their perception of the reasons for that and mine will probably be different.

Mr. Deans: Maybe not.

[11:15]

Hon. Mr. Wells: But the fact of the matter is that I have to believe that in Sault Ste. Marie at this point in time this is the best way to start getting back to that kind of situation and that state of education in Sault Ste. Marie. We have got to get the bargaining dispute out of the way; we've got to get a fair deal for everyone; we've got to get education started without this other matter hanging over it and concerning the whole community. We've got to get parents again feeling supportive of their school system.

Mr. Deans: What responsibilities do trustees have?

Hon. Mr. Wells: Trustees have a lot of responsibility, and I back them up. But I have to tell the member I don't agree with some of their stances in these particular areas. I am not going to comment on Sault Ste. Marie, but my friend commented on the trustees' council memorandum to boards; I think that was a very ill-advised document. I have always said in this House that every dispute has to be looked at individually and different criteria applied to each particular situation.

In other words, the making of blanket assertions about which course of action should be followed or not, such as a blanket assertion that a board should never agree to go to voluntary arbitration or final offer selection, period, and I think they put a qualifier in there on other than monetary matters. That is an ill-advised kind of statement. Because in a particular dispute at a particular time, one of those avenues as provided in Bill 100 may be the very way they should take. I think we have to accept that.

Mr. Martel: They don't believe in Bill 100.

Mr. Speaker: Order, please; everyone can enter the debate later.

Hon. Mr. Wells: They better believe in Bill 100, because it's going to be around for a while.

I was just handed a note now, which I guess further shows the state that exists in Sault Ste. Marie. Mr. Douglas Lawless, the executive-director of the Education Relations Commission, flew up to the Soo this morning to meet with the parties, or at least hoping to meet with the parties, to see if he couldn't get things rolling even as this legislation was being passed. The Education Relations Commission believes even still that there would be an opportunity to get the parties together, and perhaps reach some conclusion. This is a view which, as I say, I don't share, having listened to all sides. I get the report now that the board has indicated they won't even meet with Mr. Lawless today; and he is up in the Soo waiting to meet with them.

Mr. Martel: They are unbelievable.

Hon. Mr. Wells: Now his comment to me is that it is not a strike up there any more; it's open warfare. Well I have to say that if that's the case, we just can't let the situation go on.

Mr. Martel: It is the fault of the member for Sault Ste. Marie (Mr. Rhodes).

Mr. Deans: Are you going to tell the electorate there that that is what happened?

Hon. Mr. Wells: Now listen, I don't want the member to think, though—

Hon. Mr. Rhodes: I will tell you who it was; because of guys like you.

Mr. Martel: It was you.

Hon. Mr. Wells: I don't want members to think, and it's wrong to assume, for instance because of some particular situations or actions I have mentioned today, that it's all the board's fault; because that is not so.

Mr. Deans: I am not saying that.

Hon. Mr. Wells: There has been a situation between the two parties up there that has not allowed negotiations to proceed the way we had hoped they would proceed.

Mr. Deans: But surely the public should make a judgement on that.

Hon. Mr. Wells: And fault can probably be laid, I am sure, fault can be laid on both sides.

Mr. Foulds: Equally.

Hon. Mr. Wells: Probably equally.

Mr. Speaker: Order, please. I think fewer interjections would get on with the business of the House.

Hon. Mr. Wells: The situation is that at this point in time I think most people want to see a resolution of the problem. Given that kind of a climate, even though you say it's only eight or 12 days, whichever way you look at it—

Mr. Good: Address your remarks to the Chair.

Mr. Ruston: Address your remarks to the Chair.

Hon. Mr. Wells: It's 12 days if you take the rotating strike, and let's use that figure. It's only 12 days of school that have been missed in total by students up there. Remember, again, that all these students, as I understand it, are on the semester system. After Easter we will be into the late part of April and we are coming up to the end of school. Again, as I say, as a responsible government, we can take no other action in this particular situation than to bring forward this bill which says the schools will open on Tuesday and that matters will be put to quick, speedy arbitration.

Now you may ask why arbitration here and not final offer selection as in the central Algoma dispute. There is still a difference of opinion as to what are the matters in dispute; whether it be a one or a two year contract and what other matters are in dispute apart from the monetary matters. It is not as clear cut as central Algoma. Therefore, I don't think that final offer selection can be used in this particular case. I am convinced that is so and that it needs speedy arbitration, again as we did in the other disputes, with a one-man arbitrator appointed by the Lieutenant Governor in Council. I think that can help to bring back to Sault Ste. Marie a climate in which quality education, good education, for the students in that area, can again be established.

It's not the kind of legislation that is going to be accepted by everyone. Teachers are not necessarily going to be happy with it, the board is not necessarily going to be happy with it, but I think the majority of the public of Sault Ste. Marie expect a responsible government to come in and say: "Look, enough is enough. Let's get back down to business. Let's get a fair deal for everyone through an independent arbitrator. Let's bring an end to this dispute. Let's bring an end to what has elevated into some kind of warfare between two parties. Let's get things back on course and let the students have a proper education."

Therefore, I'm presenting this bill today in the hope that all members of the House will support it.

Mr. Foulds: Mr. Speaker, I am sorry the minister took so long in his opening statement because the group the Attorney General tried to introduce was from Blythwood Public School and I would have liked to have joined him in welcoming them.

Mr. Speaker, I rise to oppose the bill. The reasons for our opposition to this kind of legislation have been put lengthily and strenuously by our party over the last several months. We put them in the Metro Toronto dispute, in the Kirkland Lake dispute and, as recently as yesterday, in the central Algoma dispute, and I do not intend to repeat those reasons. However, on behalf of my colleagues, I do want to emphasize as strongly as I can that we feel as strongly about this dispute as we did about the others, and we oppose this kind of solution because we do not see it as a viable solution to the collective bargaining process. A bad principle is a bad principle, and when a law such as this one breaks good legislation and breaches the principles of collective bargaining under Bill 100, we oppose it.

Personally, I felt that I did not in fact want to dignify this piece of legislation by debating it in this Legislature, because I think the continual use of this Legislature by introducing these bills, one by one, is an abuse of the Legislature and is an abuse of the government's power. I think that is particularly true in this case in view of the Education Relations Commission report; and I want to quote a couple of paragraphs from that report:

It is the view of the commission that in arriving at an opinion, it must have regard to the situation existing as of the date of its determination. In addition, the commission must also be concerned as to whether the parties will be able to resolve the dispute through negotiation before the students affected by the dispute are actually placed in jeopardy. Necessarily, therefore, we must make some judgements about both the state of negotiations and the impact of the dispute upon the students.

Recent developments indicate that some bargaining has taken place, and the minister did not explain in his opening statement what has taken place to change that. Further, the commission said:

It is our opinion that an impasse has not yet been reached and the successful completion of courses by the students affected is not in jeopardy.

Finally, the commission said:

The commission remains firm in its belief that the principle of self-regulation through collective bargaining or consensual resolution to presenting legislated impasse procedures can best serve the long-term interests of the Ontario school system.

The minister pays lip-service to that principle, he pays lip-service to Bill 100, but by his actions ye shall know him. And by bringing this kind of bill into the Legislature, he abrogates the principles of Bill 100.

Why then do we face this bill so suddenly at this time? I don't think there is any doubt that the ritual war-dance, if you like, between the school board and the teachers; the clash over the grade 13 school that an attempt was made to establish, the withdrawal by the vice-principals of their services, have both had something to do with that.

Does this bill need to be proceeded with? I suspect not, Mr. Speaker, because the mediation session that was set for 10:30 this morning was set before the legislation came in. The subsequent break-off or refusal to participate in that by the board came as a result of the fact that this legislation was introduced yesterday and did get the board off the hook.

The board members know they no longer have to negotiate; the government will legislate a settlement and get them off the hook.

I suggest to the minister that he leave the bill on the order paper but suspend the debate and we do not at this time need to proceed with the debate. Mr. Lawless up in the Soo can get negotiations moving.

I think one of the things which has emerged in this dispute is the fallacy that has arisen in the Legislature about final offer selection being an innovative procedure. In fact, the board and the teachers in their last dispute went to final offer selection. The selector found in favour of the teachers and, therefore, the board has refused to go the arbitration route voluntarily. They have been burned by final offer selection and want no part of it.

This bill helps the board to avoid its responsibilities. The minister said yesterday, and he said again this morning, that Bill 100 will be around for a long time. What I would like him to clarify in his response on this debate is in what shape Bill 100 will be to be around for a long time. When he talked about technical refinements yesterday did he mean refinements which would remove the right to strike from that bill? I would like to get that on the record. The minister shakes his head no and I hope he will say that positively in his response.

I say that with a remote though real chance, a real possibility, that negotiations could be resumed if the debate on this bill were suspended, our reasoned amendment makes eminent good sense. Therefore, Mr. Speaker, I am putting the reasoned amendment to the House at this time.

Mr. Foulds moved that Bill 52 be not now read a second time but that it be read a second time one hour hence and it now be referred back to have incorporated therein the following amendments:

Section 1, 1(a) be deleted and all subsequent clauses of section 1 renumbered.

Section 2, subsection 2 to be deleted and the following substituted therefor: During the period from and including the first Tuesday after the day this Act comes into force until an agreement as defined under the School Boards and Teachers Collective Negotiations Act, 1975, comes into effect, no teacher shall take part in a strike against the board of education and no board of education shall lock out the teacher.

Section 3, subsections 1, 2, 3 and 5 to be deleted.

Subsection 4 to be amended to read as follows: The parties shall each give written notice to the Minister of Education within seven days after the day this Act comes into force setting out all matters the parties have agreed upon for inclusion in an agreement and the matters remaining in dispute between the parties and the notice shall be deemed to be notice to the commission and thereafter except as provided in section 57 of the School Boards and Teachers Collective Negotiations Act, 1975, a party shall not withdraw from the negotiations hereinafter provided for.

Section 4, subsections 1 and 2 to be deleted and the following to be substituted therefor: The parties involved are instructed to resume forthwith negotiations in good faith in order to resolve all matters remaining in dispute.

Mr. Martel: You had better try something new, Tom, or you won't have Bill 100 around. When is your next meeting?

Mr. Speaker: The member for London South.

[11:30]

Mr. Ferris: Once again we do our daily act. It has become almost a horrible fate to come in here each day as we come once again to support the position of the government in legislating these teachers back to work.

Mr. Martel: You are killing Bill 100.

Mr. Laughren: And other legislation as well.

Mr. Ferris: We will oppose once again the reasoned amendment. I'm sure all my friends to the right understand all the reasons why we are doing that. We have gone over them so many times lately.

Mr. Martel: That's right. What have you proved?

Interjections.

Mr. Speaker: Order, please, the hon. member for London South has the floor.

Mr. Ferris: Thank you, Mr. Speaker. We do this on the grounds that we believe that the education of the children is much more important. If we must make a distinction between collective bargaining and the arbitration process and having children educated, then the children will win in my opinion, and they must win.

The third party is the person who is suffering in this dispute. My friends on the right

certainly know that, especially at this time of the year when we are getting so close to the end of the term. The conditions of this bill are very similar to Kirkland Lake and Toronto with the exception of a couple of minor points. I think we talked yesterday about the PD days. I look at this bill and the minister has not chosen to include the clause to make these instructional days.

Mr. Wildman: They've already had them.

Mr. Ferris: It is my understanding they have not and I believe the minister's understanding is also the same, except that the minister has said he believes in what Metro Toronto is doing and thinks their strike of 38 days did not cause an elimination of these three PD days at the end of the year.

Certainly this strike has only caused a closure of schools for eight days. But I believe that the disruption of classes on rotating strikes is sometimes a much worse factor than the absolute closing. It is so uncertain as to what is really going to happen every day when you have to listen to the radio and find out the day before whether you are going the next day. It is not a good experience and so we have looked at a 33-day strike.

The part that really bothers me—and the member for Port Arthur (Mr. Foulds) from the NDP has talked about it—is the attitude of the ERC, that protector of the innocent and the party that is used consistently by the minister who says: "I must be advised by them." Throughout Metro it was always: "The ERC must tell me." The ERC told the minister there was no cause to bring this dispute to an end in this manner and yet we have legislation in front of us. I can't quite understand the reasoning behind that.

I asked the minister yesterday, based on a previous statement that he had made, to table the conditions and the ground rules that the ERC worked under. I asked him either to table those kinds of ground rules so we could be familiar with them or at least comment. I think that might be even more particularly important here, because obviously he has disagreed with some of those criteria. In fact with justification, I believe, he has in some respect taken this to the cabinet and they have ruled on it.

We set up the ERC, a learned body of people in the education field, totally familiar with collective bargaining, to advise the cabinet. They advised the cabinet and the minister, and then they go the other way. So obviously the cabinet knows more about when a programme is in jeopardy than the

ERC. That poses a very serious question in my mind about the effectiveness of the ERC.

Mr. Wildman: That's true.

Mr. Ferris: I also stated yesterday that it is very important to look at individual situations, and once again we come back to the fact, that individual situations obviously have been looked at here because the cabinet has decided that unlike any other strike this one in central Algoma, a semestered system, was allowed to go for 35 days. In this one the ERC says: "We don't need to call a halt to this strike. Let them proceed in their normal fashion." But the cabinet in its wisdom says it must end this.

I have a problem, because I believe those children's programmes have been hurt and I must support the legislation. But I think we are making a bit of a mockery out of Bill 100 by giving latitude to play around with this. That's why I sincerely hope the minister will tell us what the criterion is that the ERC works under, what kind of various situations it looks at, and perhaps explain to us how the cabinet could see this differently.

As I said, we will oppose the reasoned amendment. There is no point in going into a long discussion about the processes of arbitration, how badly they're being used here, and who's at fault or anything like this. We will oppose the reasoned amendment and we will support the bill.

Mr. Wildman: Mr. Speaker, I'm not going to speak at length. I just really have a number of questions which I hope the minister will be able to answer.

Uppermost with me, as with the last speaker, is, why is it the cabinet has seen fit to ignore the advice given it by the ERC and to introduce legislation at this stage? Every other bit of legislation that this government has introduced in regard to educational disputes has followed a recommendation by the Education Relations Commission. In this case, the Education Relations Commission specifically said the students' progress was not in jeopardy after 12 days of strike. But the government has seen fit to introduce the legislation.

Interjection.

Mr. Wildman: All right, that is the big question in my mind. I have other questions. What is the difference between Sault Ste. Marie and central Algoma? Why is it that Sault Ste. Marie is treated by this government so differently from central Algoma? Both are on semestered systems. Perhaps it is that

there's only one school in central Algoma. Perhaps there are not too many students or teachers involved. I really wonder about that.

There are students from my riding involved in this dispute because, as far north as Mont-real River, students are bused to Sault Ste. Marie to go to the secondary school. They travel about 50 miles one way each day, and certainly the rotating strikes did have a great deal of effect on them. When it came to the stage when the strikes were not announced, students had been bused for a whole hour into school and then had to turn around and go home. There is no question that this is a serious dispute, but at the same time the ERC looked at the progress of the students, which is what the special hearings are for, according to the legislation, to determine whether or not their progress is in jeopardy, and it decided that it was not in jeopardy.

It's also true that the teachers have been willing to go to third party arbitration or some sort of settlement along those lines for a long time and the board has not been willing to do so. As the minister says, there are many disputes in this province and the vast majority have been settled without legislation. Having that in mind, there was a mediation session set up this week before the legislation was introduced, the ERC had said it didn't think the students were in jeopardy and as a matter of fact they thought that legislation was unnecessary because negotiations could continue and they thought that a settlement could be reached that way.

Is it because of this legislation that the board has decided not to participate in the mediation session that was set up today? Is it because of this legislation that the board, in essence, has locked out the students today? Basically that's all I really want to know. I want some answers to these questions. Why is it that the minister ignored the ERC? Why is it that this dispute is treated so differently from the dispute in central Algoma? And why is it that mediation which was planned and which the ERC felt could be successful has been jeopardized—it has been jeopardized—by this legislation?

I hope the minister can answer those questions for us.

Mr. Sweeney: Mr. Speaker, in discussing the first three bills that were introduced on this subject, I made a very pointed statement of suggesting that the ministry had waited too long to act. I think I would find myself in a contradictory position right now by saying that it would appear on the surface that they are acting too hastily at the other end of the scale.

I think the record will show that in speaking to these previous three bills I have not made any comments or tried to lay any blame on either side. I think this situation, however, is qualitatively different. I had the opportunity of being in Sault Ste. Marie just a few short weeks ago to look into the Algoma College situation.

Mr. Moffatt: Did you enjoy it?

Hon. Mr. Rhodes: He liked it there.

Mr. Martel: Is he going back?

Mr. Sweeney: I did.

Mr. Foulds: He would like to better himself.

Mr. Sweeney: I would like to go back to help your opposition.

Mr. Martel: Smith did all that for you.

Mr. Sweeney: Yes, they need it.

Mr. Riddell: He won't need any help.

Mr. Moffatt: Particularly the opposition that he's talking about.

Mr. Riddell: Maybe you will see the light and change back.

Mr. Sweeney: During that stay I had the opportunity to talk to teachers of the public school board, to a number of parents who had children in the secondary schools, and to teachers of the separate school board who had friends and children in the other schools. I also tried to speak to some of the board members, because by a strange anomaly some of the board members of the public school board are also on the board of Algoma College and so are some of the administrators. All I can suggest is that they are as intransigent in this situation as they were in that one. It is easy to understand what the problem is.

What I am trying to get at is that I got the very clear feeling that the board in this particular situation was being particularly difficult. I would have to concur with the point made by the minister that even though the Education Relations Commission has not ruled that the students' education is in jeopardy, it would certainly appear from all the facts that are available on the surface at least—and I don't pretend to know any more than that—that this board would continue to be intransigent and that a successful conclusion to this, under the normal bargaining process, would not happen in a relatively short period of time. The board has demonstrated this in two or three different ways, and both my col-

leagues to my right and the minister have referred to those and I won't repeat them.

The point I would make is that normally I would concur with my colleagues to the right that this is a hasty action. I think, though, that it is qualitatively different, that there is no evidence that it will be solved in a very short period of time, and there doesn't appear to be any good reason to let it go on and on as we have with the others for upwards of 44 days.

I would ask the minister one question, however. In the first bill that we put out we left it to the arbitrator to decide whether it should be a one- or two-year settlement. In the one that we just settled in the last couple of days it was specified that it would be a one-year settlement. In this particular case it is being specified as a two-year settlement. There are three different settlements and I would ask the minister to explain the rationale. I am sure there must be one.

Hon. Mr. Rhodes: Mr. Speaker, I want to enter into this debate because of the obvious interest that I have with the particular situation being in the riding that I represent in this House.

I want to state first of all, as I have on numerous occasions in the past, as it relates to any sort of dispute or disagreement that involves negotiations of contracts, that I believe the way to resolve them is through proper negotiations. But we have seen what has happened in the city of Sault Ste. Marie over the past number of years, not only over this last particular time period, but over the past number of years. It seems to those of us who have had youngsters attending the school system that there has been a continuing growing animosity—I place no blame on either side—but a growing animosity between the two parties involved. Many of us who live in that community and have lived there all our lives are concerned about what is happening to the education that was being provided for our youngsters in the systems in that community.

When this situation came on to the scene, and when the services were starting to be withdrawn—first of all, through work to rule; secondly, with the rotating strikes, and finally into the full strike—the sides were drawn and people in the community started to take sides. What I am concerned about is some of the attitudes that are being reflected by people in the community who, under ordinary circumstances, would never take sides, would never stand up and take sides at all. They would sit in their own way and assess what was happening in their own minds and prob-

ably come to certain conclusions, but never get involved in taking sides. Yet, this time they are.

Mr. Foulds: Are you against taking sides?

Hon. Mr. Rhodes: The unfortunate part of that is that the teaching profession in our community was being attacked from all sides—[11:45]

Mr. Foulds: They were not attacked in Toronto?

Hon. Mr. Rhodes: They were being attacked by the media, by the phone-in shows on radio and by letters to the editor.

Mr. Deans: Are those unfair attacks?

Hon. Mr. Rhodes: They are, in my opinion, when only one side is attacked in this sort of dispute.

Mr. Deans: Are you standing up and defending the policy of the Sault Ste. Marie board?

Hon. Mr. Rhodes: What I am saying is that the community itself was giving very strong support to the position that was being taken by the board.

Mr. Deans: Are you standing up and defending them?

Hon. Mr. Rhodes: What I am saying is that all I am interested in is that we get the teachers and the students back into the schools and that the educational process continue with the good relations that have existed for many years in that community. What one has to do is talk to the students, the parents, the teachers and members of the school board, and one gets quite a variety of answers from all those different sources.

The students, through their inter-school council, which represents all of the secondary schools, contacted me immediately—in fact, as soon as the rotating strike started—demanding that something be done to settle it. Obviously we aren't going to jump into a dispute at that early stage; but to say that this strike has only lasted nine, 10 or 11 days is not correct.

Mr. Deans: That's what the minister said.

Hon. Mr. Rhodes: The system in Sault Ste. Marie has been disrupted; it has been disrupted in that community since early March. I find now in that community—and I have talked to all sides—that practically all sides involved want to see it come to an end, but firm positions have been taken. There just is

no way that it is going to end. Nothing would be gained—and I think members opposite will realize this—nothing would be gained by allowing this strike to go on another 30 or 40 days, because the positions would not have altered at all. One can tell by what has happened in the community up to this date. Nothing will change.

I was in the company of the minister when we met with both parties here in Toronto, and one could tell at that time—and that's not that long ago—that there was no way that either side was going to bend. Their positions were dug in. We will gain absolutely nothing by allowing it go for another 30 or 40 days. The only answer is to pass this legislation, send the parties to arbitration and have the matter resolved.

I don't understand why anybody would want to prolong this strike. I can't understand the members of the New Democratic Party in appearing to want to prolong this situation in that community.

Mr. Deans: No one wants to prolong it.

Hon. Mr. Rhodes: That's exactly what they are doing. Those members are talking about prolonging it.

Mr. Deans: In fact, we are prepared to have—

Hon. Mr. Rhodes: For some reason they want a strike to go on in that community.

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Rhodes: The minister hit it on the nose when he said the public in that community has said, "Enough is enough." They haven't taken sides. I haven't taken sides, and I don't intend to take sides in this dispute. I don't know who is right and who is wrong. It is not proper for me to take sides.

Mr. Deans: Of course not.

Hon. Mr. Rhodes: I am concerned about the third party involved in this, and that's the many hundreds of students who are out of the classrooms right now. Their education, I feel, has been affected, despite what the Education Relations Commission may have said. I feel the system right now is causing a disruption in the educational process of those students. The people want these schools opened again. They want them to get on now.

An hon. member talked about the distances that students must travel, but what sort of

disruption is involved when students being bused to school—and the member for Algoma mentioned this—get to the school and find that it's closed by a rotating strike? They may come 60 or 70 miles by bus only to be sent back home again, not knowing if their school is going to be open the next day. That's disrupting the system. That's a disruption for the students, for the families, for the whole thing.

Mr. Deans: No one denies it.

Mr. Martel: So is the destruction of Bill 100.

Hon. Mr. Rhodes: We should bring that to an end, and it can be brought to an end by passing this bill. If the hon. members opposite think for one minute that the people in that community want to see this strike continue, they are dead wrong.

Mr. Deans: Nobody said that. That's untrue.

Mr. Martel: Who do you think wants to see the strike continue?

Hon. Mr. Rhodes: The hon. members opposite certainly think it should continue by the very way they are talking about it.

Mr. Speaker: Order, please. The hon. minister has the floor.

Mr. Bullbrook: Elie is taking himself seriously again. You have to stop that.

Hon. Mr. Rhodes: It appears to me from the comments that have been made that they would like to see this situation continue—and I don't want to see it continue.

Mr. Wildman: We would like to see mediation work.

Hon. Mr. Rhodes: I will tell the hon. members something else. Their position is rather strange when one considers the fact that there are at least 17 of them sitting over there who have some sort of interest in what's happening in the educational system, being ex-teachers themselves.

Mr. Bain: We all have an interest. Don't the members from your caucus have an interest?

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Rhodes: Mr. Speaker, the amendment should not be supported.

Mr. Ferrier: Bill 100 is—

Mr. Deans: Mr. Speaker, I hadn't intended to speak on the debate but what the minister said is not entirely true.

Mr. Foulds: Provocative, too.

Mr. Deans: In fact, it isn't true at all with regard to anyone's desire to have the strike prolonged. The amendment we put before the House would put an end to the work stoppage and for the minister to say other than that is not acceptable in this House. I want to have him and anyone who listens understand that we are as concerned, Mr. Speaker, about the effect of a strike on the pupils as you are.

Mr. Bounsall: More, in fact.

Mr. Deans: The one thing we are worried about is that it is time in this province for trustees to do their job and I am personally fed up with having to do the work they will not do. It's time the people in the community had it told to them that the responsibility for the education system in that community rests with the trustees—the trustees whom they elect. If they don't like the way things are going in that system they must go to those trustees and tell them. Those trustees have a responsibility to them to provide an education system and to make sure that no unnecessary disruption takes place. It is not our responsibility. It is not the minister's responsibility. It isn't anyone's responsibility here to jump into the dispute after a few days and to say it must be terminated.

What I would like to see is the minister go back to Sault Ste. Marie and stay there but since I can't have that happen I'd like to see him go back to Sault Ste. Marie and at least have the intestinal fortitude to stand up and tell the public of Sault Ste. Marie that if they don't like what the school board is doing, if they don't like the system, get a new school board.

The school board in Sault Ste. Marie hired those teachers. The school board of Sault Ste. Marie has the responsibility of determining what the working conditions ought to be in conjunction with the teachers they hired. The school board has the responsibility of assessing the costs of education to the taxpayers of Sault Ste. Marie and it has the responsibility of determining, on behalf of those taxpayers, whether or not they will negotiate with the teachers and whether or not they will, given the willingness of teachers to go into the classroom, allow them to go in and provide education for the kids.

If the board members decide, as they did today, to close the doors to the teachers who

are prepared to go back and educate the children, let me tell the House something—they should answer to their electorate for that.

Ms. Gigantes: And the teachers.

Mr. Deans: They should answer. The minister shouldn't be sitting down here saying, "I'm neutral." Neutral? He's not neutral—he's taking sides.

Hon. Mr. Rhodes: I am pro-student, that is what I am.

Mr. Deans: Pro-student?

An hon. member: That's a copout, John.

Hon. Mr. Rhodes: Don't give me that phoney boloney. That's why you're in here instead of back in the classroom. You are not pro-student.

Mr. Deans: I want the minister to understand clearly that he is destroying the very process he's trying to preserve.

Mr. Wildman: What are you doing to the ERC?

Mr. Deans: The government sends the ERC there to make a determination as to the effect of this dispute on the pupils and the ERC says it is not affecting them detrimentally to the point where we ought to be intervening.

Ms. Gigantes: The Minister of Housing knows best.

Mr. Deans: In spite of that, the neutral minister from Sault Ste. Marie says otherwise.

Mr. Bounsall: You've got more power than the ERC.

Mr. Deans: What's the point of having an ERC if the government is not going to pay any attention to it? What's the point? The minister is taking it upon himself to make decisions on behalf of people who have been trained to make those decisions and who have already made them. He puts pressure on the Minister of Education to do what I know he doesn't want to do because he doesn't believe it necessary.

I suggest the minister go back to Sault Ste. Marie, stand up and be counted and tell the people it's time they got to their trustees. It's time they said to them that if the teachers are prepared to teach, let them teach. That's the issue.

It's time he said to them that if negotiations can't be resolved in Sault Ste. Marie, go and take part in the process that elected those people because they have a responsibility. Who's going to interfere? Who's going to intervene when there's a strike in the civil service in the Province of Ontario, if there is one? Is the government going to let the federal government come and order us and them to arbitration?

It's ridiculous what the government is doing. It's time that the government gave the local people the opportunity to have their say, and made it clear to them that we aren't going to bail them out when the going gets tough. Sometimes the going does get tough, and the only way to resolve a dispute is to allow it to come to its natural conclusion.

If there was some problem with regard to the education of those kids, okay; put the teachers back in the classroom according to the suggestion we make. But tell both parties: "Sit down, my friends, and do your job; sit down and do your job." On the one side, trustees want more money for the job they are doing; on the other side, teachers want more money for the job they are doing. The trustees can vote themselves a raise any time they like; the teachers have to negotiate with the same trustees.

I am suggesting to the minister that it is time we made it clear across this province that if you run for public office and you take on certain responsibilities as a result of being elected, live up to them.

Mr. Riddell: How have you lasted so long?

Mr. Deans: That responsibility, as far as school trustees are concerned, is to try to find solutions to problems in regard to that educational system over which they have jurisdiction.

So long as we are prepared, and leave the impression that we are prepared to come back here and resolve each dispute with a piece of legislation, then the minister is destroying the process that he is trying to preserve. I just disagree with him absolutely; totally. He is wrong; dead wrong.

Hon. Mr. Rhodes: Your disagreeing with me doesn't make me wrong, I will tell you.

Hon. Mr. Wells: Mr. Speaker, in commenting on some of the things that have been said during debate on this bill—and I don't intend to go over the things I said a few minutes ago in introducing debate on this second reading—I would just like to tell

my friend that what I was talking about last night, and will again say today concerning technical changes in Bill 100, certainly, in my view, are just exactly that—technical changes.

There are things like certain time limits in Bill 100. There are things like the role that fact-finders should play and how they should operate. There are matters such as that, which have come to light during the operation of the bill, since it became law last summer, that need to be looked at, based on the situations that have occurred over the past few months in arriving at contracts with the help of the ERC and using the procedures of Bill 100—contracts that have been arrived at; situations that have occurred that would lead me to believe we should look at certain technical things in the bill.

I am not talking about looking at the principles of the bill, such as what should be negotiated, and how, and what procedures are there for the solving of impasses. For example, because the school trustees' council says, "We will never go to arbitrary binding arbitration or final offer selection," we are not going to take that out of the bill. We are not going to change the section of the bill that gives teachers the right to withdraw their services, having followed the procedures in the bill. We are not going to change the section that says what shall be negotiated.

Indeed, I might say it's an interesting thing that that particular section at one time was viewed as a section that the teachers wanted and the trustees were adamantly opposed to. I can recall disputes where the trustees were saying, "That is not negotiable. That item is not negotiable, and we don't even want to put it on the table to talk about it in these discussions."

Of course, since the advent of Bill 100 anything that can be construed as a working condition is negotiable. I do see, though, in some situations now, where teachers are saying on the other side, "But, look, we got that in a contract; that particular point was in there last year—we don't want to negotiate that next year." And trustees are saying, "But wait a minute; everything's negotiable—therefore that has to be negotiable."

I have to say to teachers, as we said to boards, "Even if you won something in a contract last year, and the board wants to put it on the table next year, it is negotiable. You don't sit there and say it's non-negotiable." But I can tell you, as you know in some disputes, that is part of the problem.

I think part of the problem in Windsor is hingeing on whether something that was in the 1975 contract is really up for negotiation again this year. The board has taken the position that it is; but certainly it—

Mr. Bounsall: That it should be continued.

Hon. Mr. Wells: Pardon?

Mr. Bounsall: That it should be continued.

Hon. Mr. Wells: That it should be continued. But you can't say that the fact that it was in a contract, it's really not negotiable—that you just automatically continue it on.

[12:00]

Mr. Bounsall: That is not their point.

Hon. Mr. Wells: The point I'm making is that Bill 100 says the terms and conditions of employment are negotiable, and for both sides that means in the making of a new contract they are negotiable.

Mr. Bounsall: We agree.

Hon. Mr. Wells: So what I am saying is that, however, some of the technical things in the bill will be looked at. My feeling is that we will have a meeting with the school trustees' council and the Ontario Teachers Federation some time in the next couple of months, or perhaps in the summer, to talk about what has gone on. We will also meet with the ERC. We'll get all the opinions about how the bills work, and from that we will move to drafting a bill that will perhaps suggest some technical changes, if they are important enough to need to be brought in to change the legislation.

On the point that has been made by the speakers for the Liberal Party, particularly the member for London South, I thought I gave an answer to it in my opening remarks but perhaps it wasn't completely clear. Why have we acted rather than pay attention to the report that has been given to us by the Education Relations Commission? I think I said in other debates in this House that the first and primary purpose of the Education Relations Commission is to help the parties, the teachers and the board, arrive at a settlement—that's their first and primary function—and to provide the backup, the procedures, the personnel, the mediators, whatever, to help the parties if they need it to get a settlement.

Of necessity, that means their primary concern is with the collective bargaining process, but in bringing in Bill 100 we gave to them also an added function, and that was

the right or the authority to hold a hearing at a certain time, if an impasse was occurring because of a strike or a lock-out, and to advise the Lieutenant Governor in Council, the cabinet, as to whether the pupils' programmes were in jeopardy. That was added because in our experience, before Bill 100, we had strikes in this province and there was always the question as to whether the government should or should not act, and there was no third party to provide any advice to the government. That was not put into Bill 100 as the primary main purpose for the ERC. It was put in as another function which they could perform and which could be helpful to the government.

I will be glad to send my friend—I don't have it here now—the ground rules which the ERC has worked out as to how it would proceed and to handle this particular function. Specifically, I think their ground rules provide that after an impasse has gone on for 21 days, they will then give consideration to holding hearings in the particular jurisdiction to see if pupils' progress is being jeopardized by that impasse, but basically they have laid out in their ground rules that until 21 days have occurred they would not normally be taking any action. There may be special circumstances that would cause them to violate that, or to change or to act differently.

They also, in their ground rules, have said that if the minister at any time asks them to hold a hearing or give the government their advice on a particular dispute, they will then do it, 21 days having gone by or not. As members will recall, in the Kirkland Lake dispute we asked them if they would hold a hearing and give us the benefit of their advice.

I verbally asked them if they would hold a hearing in Sault Ste. Marie and give me their opinion on the dispute there. The result of that hearing—which was held, of course, not after 21 days of actual closage of those schools, but easily 21 days after the whole matter of a state of strike had begun—was the report that they presented here today. The report, as has been indicated and as I have indicated—and the report has been made public—doesn't suggest that the pupils' programmes of study are in jeopardy. That is the opinion of the ERC. I respect that opinion, but that is just an opinion to the cabinet of this province. It is not something that says that we cannot act. We have to take responsibility. We are accountable. If we get a recommendation from the ERC that says pupils' programmes are in jeopardy and if we decide not to take action, as the official opposition

has suggested we should have done in a lot of these disputes—

Mr. Bain: That is not true.

Mr. Foulds: We suggested a specific course of action.

Mr. Speaker: Order, please.

Hon. Mr. Wells: There is a difference of opinion there. The suggestion is that really the member's party would like us not to take action but wants to stand with its feet on both sides of the question.

Mr. Foulds: No, there is a specific course of action.

Hon. Mr. Wells: Their amendment doesn't jibe with their words. That is what really bothers me.

Mr. Foulds: It would re-open the schools.

Hon. Mr. Wells: Yes: it re-opens the schools.

Interjections.

Mr. Speaker: Order. Will the hon. member for Port Arthur restrain himself please?

Hon. Mr. Wells: That is what I say, but I think the Premier handled that in the Metro Toronto dispute when the member's leader got up at the end to try to have it both ways.

Mr. Bain: We are not.

Mr. Foulds: No, no.

Hon. Mr. Wells: They want to appear to the public that they are in favour of re-opening the schools.

Mr. Foulds: We are.

Mr. Bain: We are.

Hon. Mr. Wells: All right, but in doing that they are also violating one of the principles of Bill 100, if they are going to use that language about what we are doing.

They are taking away the right to strike or lockout from those people at this particular time. Right? Their piece of legislation—in this particular case—says that as of next Tuesday the right to strike or lockout is taken away.

Mr. Foulds: It doesn't say that.

Hon. Mr. Wells: It says they shall not strike or lockout from next Tuesday until an agreement is arrived at. Once an agreement is arrived at, they can't strike or lockout under

the terms of the agreement. So effectively the party opposite is taking away that right from those groups. Then it is putting in what is known as compulsory bargaining. I just have to believe that compulsory bargaining violates all the principles that I know about bargaining. How does one force a person to bargain compulsorily?

Mr. Warner: Is compulsory arbitration better?

Mr. Bounsall: Let them off the hook and they will bargain.

Hon. Mr. Wells: Where is the member's amendment? I want to see it.

Mr. Martel: If the legislation gets them off the hook, why should they have to bargain?

Mr. Speaker: Order, please.

Hon. Mr. Wells: The member is adopting a very strange principle really. The principle he is suggesting we accept in his amendment is that by taking away the rights of sanction in Bill 100 the parties are forced to bargain by this legislation, and if they don't bargain they are going to be fined because the penalty section would apply. Both of them are going to be fined.

Mr. Foulds: It is called good-faith bargaining. Doesn't the minister believe in that?

Hon. Mr. Wells: That's a rather strange principle because how does one force people by this legislation to bargain?

Mr. Foulds: Doesn't the minister believe in good-faith bargaining?

Hon. Mr. Wells: I believe in bargaining but I believe that good-faith bargaining doesn't take place under compulsion. Let's get this whole thing boiled down to what we are really talking about. He and I both agree the schools should open. He and I both agree that the strike should end. He has said that by legislation the strike should end and the lockout should end.

Mr. Foulds: It is the only way we can move procedurally once we have the legislation.

Hon. Mr. Wells: The only thing that we are talking about is how do we finalize the matter? The member is saying he would finalize it by forcing the people to bargain and if they won't bargain he would fine them. There is really no end to the thing. He is also forcing on the board the last offer that

was offered by them. He is saying that automatically is paid.

Mr. Foulds: Not in this one.

Mr. Martel: The minister said that himself. He has done that himself.

Hon. Mr. Wells: The member has left that out of this one. We are saying the best way at this point in time is to give the parties a chance to put the matter to a third person who will arbitrate it.

Mr. Deans: They have that opportunity now.

Hon. Mr. Wells: They have that opportunity but they are not taking advantage of it.

Mr. Deans: And if they choose not to, that is their choice.

Hon. Mr. Wells: They are not using it. As I said last night, there comes a time when we can't wait around for them to take advantage of that offer. The party opposite agrees with that because it is in favour of back-to-work legislation in its bill. We have both not disagreed on that. All we have disagreed on is how do we come to a finality of the matter.

Mr. Bounsall: And it is important.

Hon. Mr. Wells: Certainly it is important. I have to believe, knowing that they have been negotiating since March, 1975, that negotiations are not going to be fruitful, particularly forced compulsory negotiations. If we accepted the opposition's bill we are going to be faced with somehow having to find the solution to the problem although, of course, the immediacy of it is going to vanish because the schools are going to be opened and the sanctions which both sides could apply are going to vanish.

I have to believe that the NDP's suggestion in its amendment is not the kind of thing which is going to work in this particular situation.

Mr. Foulds: Try it once.

Hon. Mr. Wells: I believe that what is going to work is to put the matter to some kind of third person selection or arbitration so that the sides can get the matter settled once and for all.

Mr. Grande: See if it works.

Interjections.

Hon. Mr. Wells: My position, though, is that if both sides want to continue bargain-

ing, of course they can. There's nothing in this bill which says they can't. We're both agreed the schools will open on Tuesday. Both sides can sit down and bargain at any time. They're going to have to decide—or they should, in order to prepare for the arbitration—what is still in dispute. There is the chance for them to continue bargaining. They can continue bargaining through the arbitration; non-compulsory bargaining can continue until arbitration settles the matter.

The fact of the matter is that the state of affairs in Sault Ste. Marie suggests to me that there has to be some process of finality to this dispute at this time, much more definite than just saying, "Compulsory bargaining with a fine if you don't get to the bargaining table."

Mr. Martel: You will say the same for Windsor next week.

Hon. Mr. Wells: I'm sure what NDP members would like is to have the board not come to the bargaining table, if the amendment was passed, and have them fined.

Mr. Deans: No, I would like it resolved.

Hon. Mr. Wells: What's that going to solve? That's not going to solve anything.

Interjections.

Hon. Mr. Wells: It's not going to solve anything.

Mr. Deans: You are being silly; let's vote.

Hon. Mr. Wells: I'm not being silly, I'm just trying to indicate and to talk about your amendment.

Mr. Deans: You are being silly.

Hon. Mr. Wells: I'm not being silly.

Mr. Speaker: Order, please. The interjections are not adding to the debate.

Mr. Deans: You are being silly. Of course you are.

Hon. Mr. Wells: I haven't made any sillier remarks than you've made on some of these things.

Mr. Bullbrook: Will you make a ruling on that business of silly? I cannot make up my mind.

Mr. Moffat: You are silly.

Mr. Deans: Pretty deep for you, Jim.

Hon. Mr. Wells: All right. I think maybe I have answered the question. I want to put

this on the record: The reason we wanted the advice of the Education Relations Commission but decided to act in a contrary manner to what it recommended, was the general state of affairs in the Soo area.

Interjections.

Hon. Mr. Wells: And we desired to get things back to normal as soon as possible. It was a desire to re-establish a state in which quality education can come about in Sault Ste. Marie, because of the lateness in the school year and because of the fact this is a semester system.

Mr. Martel: So we can come back next week for the next bill.

Hon. Mr. Wells: I think I have certainly convinced most of the members of this House that this is a necessary piece of legislation; I hope. I would like to believe for once—I'm sure they'll stand up today; we couldn't in any way get them to want to record themselves as being opposed to the central Algoma bill last night.

Mr. Bounsall: You could have stood. You could have called the vote.

Hon. Mr. Wells: All I suggest is they save a little time today and let this bill proceed with second reading.

Hon. Mr. Rhodes: You ran like a rabbit.

Interjections.

Hon. Mr. Wells: That's a rather strange situation. Why didn't you want to be put on record as being opposed to the central Algoma bill last night?

Mr. Foulds: We are on record.

Interjections.

Mr. Speaker: Order, please. Let's get on with the business of the House.

Hon. Mr. Rhodes: You are trying to save Wildman's seat, that's what you are doing.

Hon. Mr. Wells: Nobody wanted to have that recorded in Hansard.

Interjections.

Hon. Mr. Wells: Nobody wanted to.

Mr. Foulds: On a point of order, Mr. Speaker.

Mr. Speaker: Point of order.

Mr. Foulds: Do you have to get unanimous consent of the House to last night's pro-

ceedings? If the minister wants a divided vote we can stack it with this one.

Hon. Mr. Rhodes: That's a good idea.

Hon. Mr. Wells: I'm not going to proceed with that because that's a silly suggestion.

Interjections.

Hon. Mr. Wells: I asked you last night if you really didn't want to vote with us on the bill to stand up and have a division.

Interjections.

[12:15]

Hon. Mr. Wells: That's a silly suggestion. I asked you last night, if you really didn't want to vote with us on the bill, to stand up and have a division last night on central Algoma, but you didn't want it.

Mr. Foulds: We have given you unanimous consent to revert—

Mr. Speaker: Order please. The bill has already passed.

Mr. Bullbrook: Is that how you get unanimous consent?

Mr. Bounsall: You're calling for a standing vote on this one. We'll give it to you.

Mr. Deans: Why is he filibustering? Why doesn't he vote?

Hon. Mr. Wells: You people over there make a great thing about it when we assume that kind of a position, but—

Mr. Martel: It gets easier for you every time over there.

Hon. Mr. Wells: —you also call divisions on a lot more trivial things, and I just think it has to be recorded that—

Hon. Mr. Rhodes: Saving your hide, Bud.

Interjections.

Mr. Speaker: Order. Order please. Let's get on with the business of the House.

Hon. Mr. Wells: You really again wanted to be on both sides of the issue last night. You really want people to believe you were in favour of our bill, but yet you spoke against it.

Interjections.

Mr. Speaker: Order, please. Hon. Mr. Wells has moved second reading of Bill 52. Mr. Foulds had moved a reasoned amendment.

The question is, shall Bill 52 be now read a second time?

The House divided on the motion for second reading of Bill 52, which was approved on the following vote:

AYES	NAYS
Auld	Bain
Belanger	Bounsall
Bennett	Bryden
Bernier	Burr
Birch	Cassidy
Brunelle	Davidson
Bullbrook	(Cambridge)
Campbell	Davison
Conway	(Hamilton Centre)
Cunningham	Deans
Davis	di Santo
Drea	Dukszta
Eaton	Ferrier
Edighoffer	Foulds
Ferris	Germa
Gaunt	Gigantes
Givens	Grande
Good	Laughren
Gregory	Lawlor
Grossman	Lupusella
Haggerty	MacDonald
Hall	Mackenzie
Handleman	Makarchuk
Henderson	Martel
Hodgson	McClellan
Irvine	Moffatt
Johnson	Philip
(Wellington- Dufferin-Peel)	Renwick
Jones	Sandeman
Kennedy	Swart
Kerr	Warner
Lane	Wildman
Leluk	Young
MacBeth	Ziembra—32.
Mancini	
McCague	
McKeough	
McKessock	
McMurtry	
McNeil	
Meen	
Miller	
(Haldimand-Norfolk)	
Morrow	
Newman	
(Windsor-Walkerville)	
Norton	
O'Neil	
Parrott	
Peterson	
Reed	
(Halton-Burlington)	
Rhodes	

AYES

Riddell
 Rollins
 Roy
 Ruston
 Shore
 Singer
 Smith
 (Hamilton Mountain)
 Snow
 Spence
 Stephenson
 Sweeney
 Taylor
 Timbrell
 Villeneuve
 Welch
 Wells
 Wiseman
 Worton—67.

Clerk of the House: Mr. Speaker, the "ayes" are 67, the "nays" are 32.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Agreed.

[12.45]

THIRD READING

Hon. Mr. Wells moved third reading of Bill 52, An Act respecting the Sault Ste. Marie Board of Education and Teachers Dispute.

Mr. Speaker: All those in favour of Bill 52 being read the third time will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

Motion agreed to; third reading of the bill.

Clerk of the House: The second order, House in committee of the whole.

RETAIL SALES TAX AMENDMENT ACT

House in committee on Bill 46, An Act to amend the Retail Sales Tax Act.

Hon. Mr. Meen: Just before we get into the section by section discussion of the bill, I would like to advise hon. members that I have two substantive amendments to propose. One arises from our extension of the exemption regarding mobile homes to the area covered by modular homes. This is a conclu-

sion that the Treasurer (Mr. McKeough) and I have reached over the last few days after talking with the industry, and I would expect that hon. members would find this extension of the exemption to be an attractive one. I will send down to the Chairman a copy of that amendment in a moment. That entails an amendment to section 1 by the addition of a reference to modular homes and then an addition to that section defining taxable value.

Then I have a second amendment to propose to section 3, subsection 4 of the bill, which refers to authority in the minister to define a newspaper for purposes of what would be exempt from tax and what would not be exempt from tax in that area. I am concerned, as we expressed in the debate on second reading—I think all members felt there was some concern about this—and since my staff has been unable to satisfy me that at this stage we are in a position to come up with a definition that is sharp enough to exclude the legitimate daily and weekly newspapers from taxation, I have concluded that for the present time we should withdraw this section and revert to the present provision, which is certainly less than satisfactory. Perhaps in the next few months we will be able to come up with some kind of definition which can then give us a line as to how we should amend this section.

There is a third amendment proposed to section 13, which is of a housekeeping nature, resulting from the removal of the amendment with respect to the newspapers.

On section 1:

Mr. Chairman: Would the hon. minister indicate to the committee which subsection of section 1 he is going to amend?

Hon. Mr. Meen: Yes, Mr. Chairman, it's subsection 1 and subsection 2 of section 1. I expect the best routine would be if I were to make the motion right now on that first amendment.

Mr. Chairman: Hon. Mr. Meen moves that subsections 1 and 2 of section 1 of the bill be deleted and the following subsection substituted therefor:

1. Paragraph 4 of section 1 of the Retail Sales Tax Act, being chapter 415 of the Revised Statutes of Ontario, 1970, is amended by adding at the end thereof, "except that in the case of either a mobile home or a modular home sold for the first time at a retail price after April 6, 1976, fair value means the taxable value of such mobile home or modular home as the case may be."

2. The said section 1, as amended by the Revised Statutes of Ontario, 1973, chapter 23, section 1, and 1975, chapter 9, section 1, is further amended by adding thereto the following paragraphs:

5(a) "Mobile home" means a vehicular portable structure that

(a) is defined to be a mobile home, a multiple-section mobile home or a swing-out and expandable room section mobile home for the purposes of the Z240 series of standards prescribed by the Canadian Standards Association and

(b) complies with the requirements of a mobile home, multiple-section mobile home or swing-out and expandable room section mobile home contained in that series of standards and bears the seal of the Canadian Standards Association attesting to such compliance.

5(b) "Modular home" means a house that is intended for residential purposes and that is constructed by assembling manufactured modular units, each of which comprises of at least one room or living area, has been manufactured to comply with the A277 series of standards prescribed by the Canadian Standards Association and bears the seal of the association attesting to such compliance.

Mr. B. Newman: I want to make mention something that involves this section and actually also pertains to section 2; that is, we now have the minister making mention of a code, that being Z240 of the Canadian Standards Association. I'm wondering if exactly the same thing is going to apply to the modular homes, because a lot of people who bought mobile homes found that their homes met the Canadian Standards Association, but not necessarily Z240, with the result that they were not eligible for the first-time home buyer grant because the Z was not in front of the CSA rating.

Hon. Mr. Meen: I may need some clarification from the hon. member, but I would just repeat that the modular home definition does bear a specific reference to a CSA standard; A277 is the number to which we have made reference in this amendment. Perhaps I could re-read that section to the hon. member.

We are defining a modular home as being a house that is intended for residential purposes—so obviously this doesn't apply to commercial or other use of the premises—that is constructed by assembling manufactured modular units, each of which comprises of at

least one room or living area, that has been manufactured to comply with the A277 series of standards prescribed by the CSA and bears the seal of the association.

The hon. member expressed some concern that we may have the same sort of problem as we experienced with the home buyer grant designation of the Z240 series. I realize what he's saying, but I would hope when people are buying modular homes for assembly that they will be careful to see they qualify. They will see right on the bill itself the amount of tax that is payable. So it should be clear to them as to whether they're paying the regular seven per cent or whether they are able to pay what works out to—and I'll explain this later—55 per cent of seven per cent of the tax on the purchase price of the modular home delivered to the site.

Mr. Good: Subsection 1 which you have substituted for the original amendment now refers to its taxable value. Before the reference was to one-half of such retail sales price as determined by including all those things. What implication does that have as to the amount of tax that will be charged on that mobile home?

Hon. Mr. Meen: The staff determined they had to change the reference and use the term "taxable value" when we went to the question of modular homes. It has no real significance. You're taking the sale price—that's the taxable value—and then you're taking 50 per cent, or you're taking 55 per cent of it in the case of a modular home.

Mr. Good: So the 50 per cent still remains. Is that 50 per cent of the taxable value or the sale price?

Hon. Mr. Meen: For mobile homes, yes.

Mr. Renwick: I believe I understand the changes the minister has made by the amendments which he proposes. Could I ask the more fundamental question on why he considers it necessary to collect sales tax calculated on 50 per cent of the value of the mobile home and 55 per cent on the value of the modular home in the first instance?

Hon. Mr. Meen: The attempt is to equate the amount of tax which shows up, in effect, in the final price of a modular home assembled at the site or a mobile home installed at the site, with the approximate amount of tax that reflects in the sale price when you buy a house that's completely built on site. Where the contractor has purchased lumber and other materials, he has paid the tax on those articles as he purchased those

pieces of construction material that went into the construction. He has paid tax on those. There is no retail sales tax on the finished product when sold to the purchaser, but obviously it is buried somewhere in the sale price as a part of the cost incurred by the contractor in the construction.

The 50 per cent figure for mobile homes is an approximation to equate it as nearly as possible to the amount of tax which would be payable on a comparably-sized and priced home if constructed on the site. In the case of a modular home, there is somewhat more labour at the site than in the case of a mobile home, which it's virtually completed and arrives on the site and is installed. In that case, the percentage is somewhat higher and it has been established that 55 per cent is a pretty realistic figure to use.

Mr. Chairman, it had been agreed that the House would rise between 1 and 2 o'clock and it is virtually 1 o'clock now.

Hon. Mr. Meen moved that the committee rise and report.

Mr. Chairman: Shall the motion carry?

Mr. Wildman: No.

Ms. Gigantes: No.

Mr. Renwick: Aren't you in favour that the committee rise and report? Can't we go to lunch? We can come back to that.

Mr. Wildman: I have some questions.

Mr. Chairman: All those in favour of the committee rising and reporting will please say "aye."

All those opposed will please say "nay."

In my opinion, the "ayes" have it.

Motion agreed to.

Hon. Mr. Rhodes: The member for Riverdale is in total control.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House reports progress and asks for leave to sit again.

Report agreed to.

The House recessed at 1 p.m.

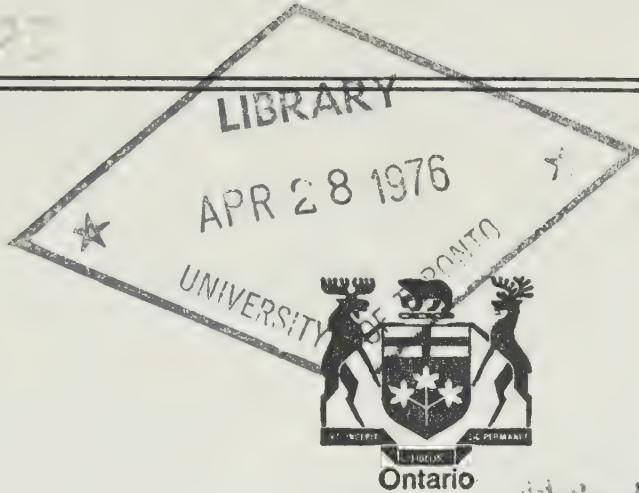
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No. 36

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, April 14, 1976
Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

WEDNESDAY, APRIL 14, 1976

The House resumed at 2 p.m.

Mr. Speaker: Statements by the ministry.

NEW CANADA DAIRY POLICY

Hon. W. Newman: Mr. Speaker, as members are aware, the federal Minister of Agriculture announced yesterday the new Canada dairy policy for the coming dairy year. The immediate effects will be visible to everyone because the retail price of butter will rise five cents a pound and the price of a pound of skim milk powder will rise four cents.

To review the federal announcement briefly, the new support price for butter will be \$1.08 a pound, up five cents. The support price for skim milk powder will rise four cents to 68 cents a pound. The subsidy on industrial milk will be \$2.66 per hundred-weight.

To control overproduction, special levies have been placed on milk and butterfat shipped over the national requirements of 95 million hundredweights of milk. For milk the levy is \$8.60 per hundredweight and for butterfat it is \$1 per pound. These rates will effectively cut back production, as the farmer would receive only a few cents per unit of milk or butterfat shipped over quota. These special levies are in line with the federal policy to cut production which began some months ago with the reduction of industrial milk subsidies and, more recently, with the 15 per cent reduction in Ontario's market share quota.

Members will recall that three years ago the federal government called for increased milk production to make Canada, as nearly as possible, self-sufficient. To assist Ontario dairy farmers in raising their output as requested by the federal government, the government of Ontario introduced a two-year industrial milk production incentive programme in July, 1973. Under this programme producers were eligible for five-year loans. They were not required to repay any principal in the first year and if they succeed in raising production to an agreed-upon level, they qualify for a refund of up to 20 per cent of their yearly principal payments.

To accommodate the 15 per cent reduction in milk quota announced by the federal government, which came into effect April 1, the provincial government, on application from individual producers, may reduce by up to 15 per cent the amount of increased milk production required in the 1976-1977 dairy year for a dairy farmer to qualify for the refund under our industrial milk loan programme. This means an Ontario dairy farmer under the IMPIP programme will not necessarily have to increase his milk production to qualify for the IMPIP refund.

I should point out here that the staff of my ministry is always ready to discuss with dairymen any problems they may be having with their IMPIP loans. Staff in the district and county offices and the provincial IMPIP review committee will review requests from individual farmers regarding the amount of refunds and the repayment of IMPIP loans to those who need assistance.

I am concerned too with the situation for new producers who have been in production less than a year. With the federal cutbacks in quota, many of these people are finding themselves severely limited as to the amount of milk they will be allowed to produce. Their quotas have been set according to their production for only part of a year, and to increase or maintain their production now perhaps they will have to buy additional quota. I will be having discussions with the Ontario Milk Marketing Board to see if some arrangements can be made to ease their situation.

THOUSAND ISLANDS REGION PLANNING REPORT

Hon. Mr. McKeough: I wish to table in the House for the information of the members a report prepared by the school of urban and regional planning at Queen's University. It is an independent report, an exploratory study compiled with input from those who live in the Thousand Islands region and with financial help from the Ministry of Treasury, Economics and Intergovernmental Affairs. It is my hope that "Perspectives on the Thousand Islands Region" will be useful to the

people of the Thousand Islands area in their local discussions concerning the economic and social development of the region.

While this 113-page report will take some time for us to digest, I am pleased to note that it stresses the co-operative nature of the planning process, thus reinforcing what the Premier (Mr. Davis) said in the House last week, that it is basic to Ontario's way of life that local levels of government and citizens at all levels be given the opportunity for participation and influence in the province's growth and development.

I would also point out to members that the report cautions against unilateral planning by senior governments. I can only stress that this government fully agrees with this principle and hopes that the federal government will take this principle into account in its proposals for the region.

Mr. Speaker: Oral questions.

HOME WARRANTY PROGRAMME

Mr. Deans: I have a question for the Minister of Consumer and Commercial Relations: Can the minister indicate when he intends to put before the Legislature the exact proposal he has in mind for home warranty programmes, and can he further tell the Legislature how he intends to maintain checks on the workmanship, since the Minister of Housing (Mr. Rhodes) has decided to give over the responsibility for inspection to the federal government?

Hon. Mr. Handleman: In reply to the first part of the question, the answer is very soon. In reply to the second part of the question, I would have to ask the hon. member to wait for the legislation in which it will be spelled out exactly how inspections are to be handled.

Mr. Deans: Can the minister indicate whether the inspections will be handled by people in the Province of Ontario responsible to the government of Ontario or handled by some private group or some other level of government?

Hon. Mr. Handleman: I can't indicate that until the legislation has been tabled.

Mr. Roy: Supplementary: I wonder if the minister is giving consideration to the industry having its own warranty programme, as in fact is working out, I understand, very successfully in Alberta?

Hon. Mr. Handleman: We have no legislation which would prevent any industry from

having its own warranty programme. I wish them all the luck in the world.

Mr. Roy: Supplementary on that: Since the minister obviously understands that the industry will not compete with his own legislation, that it's one or the other, doesn't he feel that maybe he should give the industry a chance to see if its programme will work before bringing in his legislation?

Hon. Mr. Handleman: I don't believe we can have a plan in the Province of Ontario which is not fully compulsory. If the industry plan is voluntary, as it is in Alberta, we don't feel that that kind of plan can work, but we are not preventing the industry from carrying on with its plans to bring in a warranty programme of its own.

HOSPITAL CLOSINGS

Mr. Deans: I have a question for the Minister of Health. Can the minister indicate, given the deep feeling of the board of governors of the Paris Willett Hospital and many others that the ministry's actions and the actions of the government are just simply not appropriate, whether there are yet steps available for further discussion which might bring about a satisfactory resolution of the differences that exist and that might enable those municipalities to have a sense that they are involved in the provision of health care delivery for the people who live within their jurisdiction?

Hon. B. Stephenson: Mr. Speaker, I believe very firmly that the alternatives which have been suggested to those specific hospitals should give the hospital boards a feeling of input and participation in the delivery of health care services in those areas. There are, as I said yesterday, committees of the ministry in Paris today discussing with the Paris board and some people within the community the suggestions which have been made. There will be a committee in Durham tomorrow and one in Clinton on Tuesday, as a matter of fact. It is our sincere hope that the groups within the community will seize this opportunity to participate in the development of an alternative health care programme in that area.

Mr. Deans: Supplementary question: Is it simply a matter of sending these groups out to tell them what the government has decided, or are they in fact going to enter into discussions from which might flow some further suggestions that the government would

be prepared to implement as an alternative to what it has now proposed?

Hon. B. Stephenson: Mr. Speaker, the groups have not been sent out; they have gone to those areas and will be going to those areas upon request—

Mr. Deans: Oh, they have not been sent out?

Hon. B. Stephenson: —of the groups within the community in Durham, Clinton and Paris. There will most certainly be discussions which I hope will be fruitful. If the hon. member is asking whether we will reconsider the possibility of re-establishing active treatment beds or active acute general hospitals in those areas, I would have to say that at the moment, no, we would not reconsider that. What we are considering is a proposal to ensure that there is a focus of health care services within that community which will meet the needs of that community.

Mr. Germa: Supplementary: Can the minister bring us up to date on the negotiations going on at the Copper Cliff Hospital in bringing this structure into shape to serve as a clinic in that area?

Hon. B. Stephenson: Mr. Speaker, it is my understanding that discussions are going on. That proposal was made quite a while ago to that hospital and it was accepted with alacrity by the community—and, in fact, the ministry is assisting the community group to develop the facility in Copper Cliff.

Mrs. Campbell: Supplementary: Can the acting Minister of Health tell us, with reference to each of these hospitals, having the committee established to assist the medical profession to relocate, what steps are being taken to assist with the relocation of other staff, most of whom are female?

Hon. B. Stephenson: Mr. Speaker, the committee—made up of members of the OHA, of the Ministry of Health and of the Ministry of Labour—has, in fact, been holding meetings and has been exploring the job opportunity market for those individuals. I can't give a report as of their activities today, but I know they are holding a seminar for personnel directors either this week or next week in order to assist them to help the staff who are going to be dislocated by the programme.

Mrs. Campbell: Supplementary, Mr. Speaker, if I may.

Mr. Speaker: A final supplementary for this member.

Mrs. Campbell: Thank you. Is the minister aware of the fact that there have been no jobs offered for nurses in this province over quite a period of time and that the only work that appears to be available for Doctors Hospital personnel is from those people coming here from the Maritimes seeking nurses for their functions?

Hon. B. Stephenson: Mr. Speaker, I am aware that there has been a lesser number of job opportunities for nurses in this province over the last several years. I am also aware that there are a number of provinces advertising for nursing staff, not simply the Maritimes; also the western provinces of Canada. But there are some nursing jobs available.

Mr. Speaker: We'll have a final supplementary. The member for Wentworth North has been on his feet for quite some time.

Mr. Cunningham: Given the fact that the rationale for shutting the hospitals was given as being a cost saving measure, would the minister be inclined to reconsider that decision should it not be proved that the Province of Ontario is enjoying some savings?

[2:15]

Hon. B. Stephenson: Mr. Speaker, it will take a considerable period of time to develop all of the figures which will prove one way or the other. I am confident that it will prove to be a cost saving to the Province of Ontario. I would estimate that over the next five years it will prove to be a cost saving of something in the order of \$500 million.

Interjections.

Mr. Roy: It took you five years to make a mess of it.

Interjections.

Mr. Roy: What—\$500 million?

Hon. B. Stephenson: That's right. In addition to that, Mr. Speaker, I would re-emphasize that it was not only for the purpose of cost saving—

Mr. Singer: That's almost as much as you took off before the last election.

Hon. B. Stephenson: —but, in effect, to develop increased initiatives in the area of primary care services where, in this province, increased emphasis needs to be placed in the provision of health care services.

Mr. Deans: That's great.

STERILIZATION OF EMPLOYEES

Mr. Deans: I have a question for the Minister of Health. Does the Minister of Health have any comment to make with regard to the questions raised by my colleague from Oshawa (Mr. Breaugh) some three months ago—in December of last year—in which he pointed out that women working in certain General Motors' operations were, of necessity, having to make a choice between losing their jobs or being sterilized? Is she able to indicate whether this government is at any point in the near future going to have a policy brought forward with regard to this despicable practice?

Hon. B. Stephenson: Mr. Speaker, the health care hazard to which we were alerted at the Oshawa plant of General Motors, the battery plant, is one which has not been entirely documented as yet but certainly it has aroused some suspicions. Of the cases which were brought up by that initial reaction at the Oshawa battery plant, four at least are presently before the Human Rights Commission, and there are inquiries going on.

Five of the women apparently decided to move to other areas of employment when they realized that the potential health hazard was to the foetus—not to the woman but to the foetus. One woman has apparently voluntarily decided that she will undergo sterilization.

Mr. Deans: A supplementary question: I appreciate what the minister is saying; can she tell me whether the government of Ontario believes a person should be put in that position or whether she is prepared to bring in legislation which will protect women against having to indicate whether or not they have been sterilized and protect them against hazards in the places of employment?

Hon. B. Stephenson: Mr. Speaker, I would again emphasize that the hazard is not to the female. It is to the growing foetus.

Mr. Bain: Answer the question.

Mr. Swart: I suppose that doesn't matter.

Interjections.

Mr. Speaker: Order, please.

Hon. B. Stephenson: Secondly, I would think it would be entirely inappropriate to develop any kind of governmental action until we have heard the results of the inquiries which are being conducted by the Human Rights Commission on this matter.

Mr. Deans: Why? What has the Human Rights Commission to do with it? Why does the ministry not have a policy that states clearly that—

Ms. Gigantes: Give us an answer on this one.

Mr. Deans: —if there is a health hazard the health hazard either be eliminated or appropriate steps be taken? Why should we wait for the Human Rights Commission to decide whether that's an appropriate step when we all know, in the Legislature, it isn't.

Hon. B. Stephenson: Mr. Speaker, I would again emphasize that the health hazard is not to the worker per se.

Mr. Deans: I didn't say that.

Interjections.

Mr. Speaker: Order, please.

Hon. B. Stephenson: The health hazard is to a potential foetus.

Mr. Deans: I didn't say that.

Interjections.

Mr. Speaker: Order, please.

Hon. B. Stephenson: That is a different ball game from that which is involved in most occupational health situations.

FARM INCOME STABILIZATION PLAN

Mr. Deans: Can the Minister of Agriculture and Food indicate whether he is in a position to accept the proposals of the OFA particularly with regard to the farm income stabilization programme as the OFA put it forward? In particular, is he prepared to accept the suggestion its members have made that some meaningful negotiation role for farmers should be made part of the legislation?

Hon. W. Newman: I think we assured the Ontario Federation of Agriculture this morning when we met with them—the Premier (Mr. Davis) and I—that we would be bringing forth an income stabilization bill—

Mr. Deans: A long time.

Hon. W. Newman: —and introducing it in the House very soon.

Interjection.

Hon. W. Newman: As far as having any negotiations with us is concerned I have met with the federation on many occasions. We are prepared to talk to them any time we are bringing forth a programme. On a particular programme we are quite prepared to discuss it with them.

Mr. MacDonald: Supplementary: Did the minister say he is willing to give farm organizations a meaningful role in negotiations or did he not?

Hon. W. Newman: I am not exactly sure what you mean by that, but I know what I mean.

Mr. MacDonald: You know what I mean.

Hon. W. Newman: Don't get yourself upset now; just take it easy.

Mr. Cassidy: You are the one who gets upset.

Mr. Moffatt: You are controlling yourself very well.

Hon. W. Newman: I am saying that any farm organization—and we have a lot of good farm organizations in this province—is welcome to have open dialogue with me or with my staff at any time on the various programmes we have in the ministry. That was what part of the dialogue was about this morning.

Mr. MacDonald: Supplementary: The minister was so upset that I didn't really get the import of his answer. Without getting into an argument on farm organization, is he willing to permit the appropriate farm organization to engage in meaningful negotiations for purposes of deciding on the price of a commodity for any given year?

Hon. W. Newman: Now the member is making a little addition to what I thought he meant in the first place. Would he spell it out? Is he saying that one particular farm organization should be in negotiation?

Mr. MacDonald: I said the appropriate farm organization.

Mr. Speaker: Order please, the hon. minister has the floor.

Hon. W. Newman: If that was his question, the answer to that question is no. The answer to the other part of the question is yes, we will have meaningful discussions with them at any time.

Mr. MacDonald: Negotiations or discussion?

Hon. W. Newman: We are prepared to discuss—

Mr. Speaker: Does the member for Kit-chener have a supplementary?

Mr. Breithaupt: No, I would just like to ask a question.

Mr. Speaker: This will be a final supplementary. The member for Timiskaming.

Mr. Bain: I would like to ask a supplementary of the Minister of Agriculture and Food. In this province, it comes as a matter of fact that working people are guaranteed rights of collective bargaining. Why does he refuse these rights to farmers? Why does he refuse to negotiate with the farm organizations to establish the price support base?

Hon. W. Newman: We do have 22 marketing boards in this province. We do have several farm organizations which all have an input and the marketing boards do a great deal of negotiating. In case the member doesn't know, each year they go down and discuss and negotiate prices for their products through the various marketing board agencies, and I think they do a very fine job.

POLICE CHASES

Mr. Breithaupt: A question to the Solicitor General: With respect to the further unfortunate situation involving the police chase and the deaths of two men in the Corunna area, can the Solicitor General advise if the constable and his superiors were familiar with the guidelines for chases that have been discussed earlier in the House as a result of the last time this happened?

Hon. Mr. MacBeth: I can only assume they were. They are OPP officers. I had a report on that, if you would like me to read it, Mr. Speaker.

Mr. Breithaupt: If we could revert to statements.

Mr. Speaker: It depends on the length of the statement. If it is fairly brief it will be taken as an answer to the question.

Mr. Singer: What is he going to do? Is he going to read it?

Mr. Speaker: Is it a lengthy statement, Mr. Minister?

Hon. Mr. MacBeth: About a page and a half, sir.

Mr. Roy: Let's revert to statements.

Mr. Breithaupt: Perhaps, Mr. Speaker, since this is a particularly important area, if the minister could give his statement, you might then decide if a few minutes could be added to the question period.

Mr. Speaker: Do we have agreement to revert to statements momentarily?

Agreed.

POLICE CHASES

Hon. Mr. MacBeth: In the early morning hours last Friday, two men were killed when their car collided with another during pursuit by an Ontario Provincial Police constable near Corunna. I am very concerned about another incident of this nature and have already received a preliminary report which I requested from the OPP. I am informed that the details of the accident are as follows:

While the constable had a vehicle stopped by the side of the highway, a group of cars passed him proceeding at normal speed. However, a vehicle near the end of the line was travelling too close to the one ahead and weaving from side to side. The constable made a U-turn in order to follow the vehicle he had observed weaving. He passed several vehicles and then observed two vehicles ahead. When the front one increased speed greatly, the officer put on his roof lights and notified the Petrolia OPP detachment by radio of the situation.

The pursued vehicle proceeded into Corunna, skidded out of control and came to a stop. As the officer approached, it accelerated sharply and proceeded through the town. The driver again skidded out of control and the officer was able to block his path momentarily. The car then reversed sharply and, despite the officer's efforts to block the vehicle, it got away again. The car was then travelling between 70 and 80 miles per hour with the officer in pursuit.

The car passed over a railway crossing and momentarily disappeared from the officer's view. When the officer arrived at the railway crossing, he saw the car strike another vehicle head on. The driver who was being pursued and his passenger were killed instantly. The driver of the other vehicle was hurt and hospitalized.

The OPP are continuing their investigation of this accident and a coroner's inquest will also be held.

As I have already indicated, the Ontario Police Commission is working on a set of

guidelines to be used in situations such as this. I hope to have them distributed to all police forces in the province as quickly as possible. The Ontario Provincial Police do have a set of guidelines and they have been distributed. Of course they are part of the course they take at Aylmer, so I can only assume that the officers did have the instructions involved.

But as I said before, these have to be individual decisions and no amount of instruction will necessarily stop police trying to catch people who are suspected of some crime in the manner that took place here.

Mr. Speaker: We will add two minutes to the question period.

Mr. Breithaupt: Supplementary: Recognizing this is a very serious and unfortunate area, and that it may be necessary from time to time, is the Solicitor General satisfied that police forces are sufficiently well trained to handle these particular problems so that we are not placing constables who are insufficiently trained to be involved with these matters, as drivers or otherwise, in positions which are possibly unfair to them, as well as unfair to the public who may unfortunately get involved in the results of those tragic crashes?

Hon. Mr. MacBeth: Mr. Speaker, the member for Kitchener is asking me if they are sufficiently well trained, and I have to say no; I think the answer to that is that nobody can ever get all the training one would like him to have. Some of them may be, but looking at the entire forces across the province I am not sure anybody is ever sufficiently trained.

But even if they did have all the training that time and money would permit, the point I am trying to make is I don't think all the training in the world is going to stop this kind of unfortunate accident from happening. I don't think the member for Kitchener would want me to issue some kind of order that no police chases should take place. All I can say is that I want to improve the training, and obviously this is what we hope to do with these reports I have asked for. Subsequent to the reports, the information will be put into the hands of the individual officers. I want to improve the situation, but I can't give guarantees that as long as we have police forces and members of the public ready to disobey the laws this sort of thing will stop.

Mr. Singer: Supplementary: Could the Solicitor General tell us what he is going to

do when he reads about or hears about the police firing on an impaired driving suspect in Metropolitan Toronto? Doesn't he feel there has to be some active intervention by his department from time to time as these items take place? One took place, as I say, in Metropolitan Toronto over the last weekend. Shouldn't the Solicitor General do something about this?

Hon. Mr. MacBeth: Mr. Speaker, I don't have the details on that report but I understand, there again, that the police had actually stopped and had been talking to the driver of the vehicle involved. So unless we are, again, going to issue some instructions to police that they shall not use their guns when pursuing—

Mr. Singer: Oh, come on!

Hon. Mr. MacBeth: That's what the member is asking.

Mr. Singer: No it is not.

Hon. Mr. MacBeth: Well then, what are you asking?

Mr. Speaker: Order, please.

Mr. Singer: He wants to know what I am asking. Let me tell him what I am asking.

Mr. Speaker: In the form of a question.

Mr. Singer: I am asking him if he believes he has the responsibility to keep these matters under control, and when unfortunate incidents such as talked about by my colleague the member for Kitchener or the possibility of one such as happened in Toronto last weekend take place, if he should be the first one to rise in his place in this House and explain them? If he can't then he should get out of the portfolio.

Hon. Mr. MacBeth: Mr. Speaker, certainly I have a responsibility to do all I can—

Interjection.

Hon. Mr. MacBeth: —to keep these things from happening. But I say when you are dealing with a criminal element in this province and we have a police force we expect to arrest them. I can't guarantee that it won't happen.

Mr. Yakabuski: Sounds like the member is on the side of the bad guys.

Hon. Mr. MacBeth: We are doing everything we possibly and reasonably can, and we will heighten our efforts in that regard.

HOSPITAL CLOSINGS

Mr. Breithaupt: A question of the acting Minister of Health, Mr. Speaker: Can the minister advise us who in the ministry instructed the Chesley Hospital to keep five employees on staff after the hospital was to close so that fewer than 50 people would be laid off, which would effectively deny all employees but three their right to eight weeks' severance pay?

Hon. B. Stephenson: Mr. Speaker, I gather that was a telephone order or a telephone direction which was certainly not authorized by the ministry. The ministry had sent instructions to the hospitals to issue termination notices to all the members of staff. I really have not found out as yet why this happened, but I am attempting to. At any rate, it was corrected and all the members of the staff have had their termination notices given to them.

[2:30]

ACCIDENT SPOT ON QEW

Hon. Mr. Snow: Mr. Speaker, I have answers to two questions that were asked previously.

The hon. member for Niagara Falls (Mr. Kerrio) asked a question on Apr. 8, regarding highway conditions at Sand Plant Hill on the Queen Elizabeth Way. I wish to report to the hon. member the ministry engineers are working on and reviewing this particular section of the Queen Elizabeth Way with a view to installing a median barrier and providing suitable protection at the bridge pier and abutment. It is expected the work in the Sand Plant Hill area will be completed before the end of this year.

AUTO LICENSING AGENCIES

Hon. Mr. Snow: Mr. Speaker, on Mar. 18, I answered a question of the hon. member for Rainy River (Mr. Reid) with respect to money owed to the ministry by motor vehicle licence issuers. At that time I stated there were matters under investigation by the Ontario Provincial Police at the request of my ministry relating to the handling of funds in two motor vehicle licence issuing offices. In order to keep the House informed, Mr. Speaker, I can report that an investigation in northern Ontario has been completed and the former issuer has been charged with criminal breach of trust and theft by conversion.

In the other case, which involves an issuing officer in the Metropolitan Toronto area, the investigation continues. However, an employee of the ministry has been charged with fraud pursuant to section 338, sub 1, of the Criminal Code of Canada. Because the investigation into this latter situation still continues, I will undertake to report further to the House on this matter as soon as it is possible to do so.

LOANS TO MILK PRODUCERS

Mr. MacDonald: A question of the Minister of Agriculture and Food: Would the minister indicate what guidelines the ministry has given to ag reps for their discussions with farmers with regard to IMPIP loans? Specifically, is more money available for new loans to those farmers who are desirous of more capital in order to purchase MSQ to market their milk? And with regard to existing IMPIP loans, what are the guidelines or the criteria for rescheduling the payments in view of the difficulties that many dairy farmers are now facing?

Hon. W. Newman: Mr. Speaker, there are some problems. In the IMPIP programme which we have brought forward, many fluid shippers in the Province of Ontario, who had a fairly large fluid base, were given a market share quota as well as their fluid base. By and large, most of these people don't have a major problem in paying back their loan, because they have a fairly large fluid base.

There are others, who for instance may be classified as fluid shippers, but they'd be only 10 per cent fluid and 90 per cent industrial. They may have a particular problem in paying the loan back.

There are others who are 50-50—who may have 50 per cent fluid and 50 per cent industrial. There may be those who are completely industrial. There are those new producers who came on stream who have not had a chance to build up their quota as yet.

What we are saying, in effect, is that on an individual basis if they have a problem, they go to an ag rep. We have a special committee within the ministry to deal with it. If they want to extend their loan or work out something on an individual basis, we're quite prepared to do that.

Mr. MacDonald: Supplementary: Is it correct that in some instances the rescheduling of repayments is being spread over 10 years, and in other instances it is being denied? If so, what are the criteria for coming to that kind of a decision?

Hon. W. Newman: I just tried to explain that there are different circumstances in each case. One farmer may have a much heavier output, may have a bigger loan than another. Another may have some fluid base that he can build on and has been able to meet his payments. Many of the farmers have paid off their loans already. Each situation can be quite different and that's why we're doing it on an individual basis.

OHC TENANT LOCKOUT CHARGE

Mr. B. Newman: Mr. Speaker, a question of the Minister of Housing concerning the charging of Ontario Housing tenants a fee simply because they may inadvertently lock themselves out of their units after 5 o'clock in the evening. Is the minister aware of the letter sent by the Windsor Housing Authority advising that all tenants locked out of their units will be charged up to \$25 simply to have the door opened after 5 o'clock?

Hon. Mr. Rhodes: Yes, Mr. Speaker, I'm aware that this situation occurred in Windsor some time back—

Interjections.

Hon. Mr. Rhodes: —and that it created some publicity. I have had the Ontario Housing officials discuss this matter with the local authority. Again, as the local authority, they were setting what they thought were their own rules. We have asked them to consider just what they were doing in this area. At the same time, the fact that a fee is being charged was related, as I understand it, to the cost of having persons called out to open apartments that had been locked when people had just inadvertently left their keys in their apartment or lost their keys, and it was adding up to a considerable amount of money, according to the information from the authority.

We don't condone it, nor do we think it should be carried on to the extent related in that particular letter.

Mr. B. Newman: Would the minister look at the letter and see the threatening content of the letter; so threatening that a 70-year-old lady, rather than pay the \$25 fee, stayed out in the hall of her apartment all night?

Mr. Yakabuski: I would too.

Hon. Mr. Rhodes: Yes, Mr. Speaker, I am aware of the contents of the letter. I am also aware of the incident he's referring to. My understanding is that the lady did not

stay in the hallway outside of her apartment, but actually stayed in the lounge—not that that makes it any better—

Mr. Singer: Is it a nicely furnished lounge?

Hon. Mr. Rhodes: —and I'm not suggesting it does.

Mr. Singer: One chesterfield or two?

Hon. Mr. Rhodes: But I have seen the letter. I do think it was not a very diplomatic letter and should not have been sent in its form.

Mr. Cassidy: Supplementary: Is the minister prepared to either repeal the charge, renegotiate the contract, or make arrangements with the tenants so that they can handle lockout problems and the staff doesn't have to be called out after hours?

Hon. Mr. Rhodes: Mr. Speaker, I understand that in most of those complexes there are tenant associations, and I'm sure that no one would object to them arranging to have the tenants handle that particular problem.

Mr. Cassidy: Hear, hear! Hear, hear!

Mr. B. Newman: Supplementary, Mr. Speaker.

Mr. Speaker: We'll have the original questioner with a supplementary, and one more.

Mr. Yakabuski: Is this a debate over keys?

Mr. B. Newman: May I suggest to the minister that he look into the possibility of changing the locking system so that an individual has to use a key to lock the door, rather than simply have the door slam and then have himself or herself locked out?

Hon. Mr. Rhodes: Mr. Speaker, I really don't believe we would be going to the extent of changing all of the locks in all of the Ontario Housing units in this province, because of, I would have to believe, not a great number of people surely—

Mr. Deans: That doesn't solve the problem.

Hon. Mr. Rhodes: —who lose their keys or leave them locked up.

Mr. Speaker: Final supplementary, the member for Carleton East.

Ms. Gigantes: Mr. Speaker, if the minister is trying to relate the charge that has been exacted of people who have lost their key

to the cost of having somebody called out, does this indicate that supervisory staff of OHC projects are now getting paid \$25 an hour?

Hon. Mr. Rhodes: Mr. Speaker, I have at no time suggested that the \$25 charge was a fair and equitable charge at all. If the hon. member thinks so, she may say so. It is not the supervisory staff of OHC but rather employees of the maintenance staff who are employees of the Ontario Housing Corp. and who are paid callout fees, a minimum of which is three hours. On these indiscriminate callouts by people who simply forget their keys, we think there should be some way—

Mr. Deans: Not a very good system.

Hon. Mr. Rhodes: —of reminding people to keep their hands on their keys and make sure that they can get into their apartments.

HOSPITAL OCCUPANCY IN OTTAWA, PEMBROKE

Mr. Yakabuski: Mr. Speaker, I have a question of the acting Minister of Health, and it's in a number of parts.

Mr. Foulds: None of which is related.

Interjections.

Mr. Yakabuski: One, is the acting minister aware that a constituent of mine from Beachburg has been told by a doctor in the town of Pembroke that he cannot be admitted to a hospital there because a good part of the beds are taken up by residents of the Province of Quebec?

Mr. Cassidy: You are at it again.

Mr. Yakabuski: Two, is the acting minister aware—

Mr. Cassidy: You know, you and Claude Bennett never stop, do you?

Mr. Yakabuski: —that a similar situation exists in the Ottawa Valley—

Mr. Cassidy: You will find a French Canadian under every bed.

Mr. Yakabuski: —where residents of the Province of Ontario are told they must wait four, five and six months to get a bed—

Mr. Cassidy: Why don't you get up and say it in public?

Mr. Speaker: Order, please.

Mr. Yakabuski: —for very serious surgery that's to take place in the city of Ottawa and there are no beds available?

Mr. Roy: Where were you last fall?

Mr. Cassidy: This is a real copout. You and Claude Bennett never stop, do you?

Mr. Speaker: Order, please.

Mr. Yakabuski: Three, what percentage—I have a question of the ministry here.

Mr. Speaker: Order, please.

Mr. Cassidy: You are blaming Ontario's problems on French Canadians.

Hon. Mr. Rhodes: You moved out of Ottawa.

Mr. Yakabuski: What percentage of the hospital beds in the city of Pembroke and the city of Ottawa are occupied by residents of other provinces?

Mr. Cassidy: Why do you ask a stupid question?

Mr. Singer: And your fourth part?

Mr. Yakabuski: And, four, what cost—

Interjections.

Mr. Yakabuski: —does this mean the Ontario taxpayer must foot, because we realize that any reciprocal arrangement with another province certainly isn't going to cover the cost of hospital beds?

Mr. Sweeney: This is supposed to be a question period. He is wasting the question period.

Mr. Yakabuski: And, five—

Interjections.

Mr. Speaker: Order, please.

Mr. Yakabuski: Just a minute. Does the province—

Mr. Speaker: Order, please.

Interjections.

Mr. Speaker: There have been some objections, but if you recall there were four supplementaries to the last question; but I hope this is the last question from the hon. member.

Mr. Cassidy: They were supplementaries.

Mr. Yakabuski: I am asking the acting minister if the Province of Quebec contributes to any of the capital cost of new hospital construction or the equipping of new hospitals in the Pembroke or Ottawa areas.

An hon. member: Don't you and Bette speak to each other?

Hon. B. Stephenson: Mr. Speaker, I am not aware that any patient who requires urgent attention or hospitalization in any part of this province must wait for five or six weeks. That, it seems to me, is entirely unnecessary and unsupportable.

Even with the numbers of beds which have been closed, we have more beds per thousand in this province in active treatment hospitals than in any other jurisdiction in Canada and in almost all other developed jurisdictions throughout the western world.

There are a certain number of beds in the Ottawa Valley, both in Pembroke and in the city of Ottawa, which are used on a fairly regular basis as a matter of fact by citizens of the Province of Quebec. I think it amounts to something in the order of 20 beds in Pembroke and about 250 in Ottawa. This constitutes only about 10 per cent of the bed capacity in either of those areas.

There is, of course, no contribution by the Province of Quebec to capital costs in the construction of hospitals but, in fact, the billing for those patients is submitted to the Quebec plan and we are reimbursed at the same level we would be in the Province of Ontario for both hospital care and physician services.

Mr. Speaker: The member for—

An hon. member: How many supplementaries are you going to allow?

Mr. Yakabuski: Mr. Speaker, a supplementary.

Mr. Speaker: A final supplementary.

Interjections.

Mr. Yakabuski: In view of the—

Interjections.

Mrs. Campbell: Six supplementaries?

Mr. Speaker: Order, please. I'll remind the House that the Speaker doesn't ask the supplementaries. There are far too many of them as a matter of fact; there are too many supplementary questions so let's keep that in mind. I will allow a final supplementary from this member.

Mr. Yakabuski: Will the acting Minister of Health assure me and my constituents, if I provide the names of the people who are having these problems in being admitted to those hospitals, that she will ensure they get immediate attention?

Interjections.

Mr. Eakins: Oh sure.

Mr. Breithaupt: So it is a five-part question.

Mr. Roy: He asked a five-part question to start with.

Hon. B. Stephenson: With the details of the situation available, Mr. Speaker, I am sure we could investigate to see precisely what has been happening.

Interjections.

Mr. Roy: You are about eight months behind, Paul.

Mr. Speaker: The member for Durham West, I presume.

We will allow a final supplementary over here.

Mr. Godfrey: With regard to the fact that the reimbursement to the Province of Ontario is on the per diem rate as charged in the hospitals now, and in view of the fact we are spending considerable capital funds in Ottawa at present, which is coming out of our general budget, to provide these beds, does it not seem that there should be a supplement on top of the per diem rate for residents from outside of the province so that they can carry their fair share of the freight?

Interjections

Hon. Mr. Rhodes: It might, how about that?

Mr. Speaker: Order, please. Let's hear the answer now. We are waiting for the answer. Thank you.

Interjections.

Mr. Speaker: Order.

Hon. B. Stephenson: Mr. Speaker—

Interjections.

Mr. Speaker: Can we have order in the House by the hon. member for Cambridge?

Hon. B. Stephenson: I would remind the hon. member for Durham West that in fact

there are patients from the southern part of this province, on the Ottawa River, who use hospitals in Montreal as well. There is reciprocity as there is the same kind of reciprocity between Manitoba and Ontario in terms of Winnipeg hospitals.

[2:45]

HOSPITAL CLOSINGS

Mr. Davidson: A question to the acting Minister of Health; it must be her day. While I fully applaud the decision of her ministry to restore the full budget to the South Waterloo Memorial Hospital—I think that was a very nice thing to do on behalf of the ministry—I would like to know, first of all, how did such a miscalculation take place in the first place—a miscalculation of some \$432,000—which resulted in much anguish to both the administration and the staff of that hospital? Secondly, if that miscalculation took place there, is it also possible these same miscalculations could be applied to other hospital budgets throughout the province?

Hon. B. Stephenson: Mr. Speaker, I am sorry I don't know the exact details of the South Waterloo Hospital budget restoration.

I can tell the hon. member that in the one or two instances I know of in which there was a miscalculation, it was based upon the fact that last year the hospitals had voluntarily withdrawn from service a number of beds which they had neglected to tell the insurance programme about. The calculation was based upon the old number of beds rather than the new number, which was a projected figure with the decrease in figures subtracted from it. In those instances in which that correction was made, of course there was restoration of budget because it worked out on a more equitable basis when we were given full information by the institutions.

I shall find out what happened in South Waterloo and inform the hon. member.

Mr. Swart: Is the acting Minister of Health aware that in the city of Welland there was a cutback which was restored because the—

Interjections.

Mr. Speaker: Order, please. As some of the questions were asked earlier by the party that is making the most noise right now, I will hear this supplementary.

Mr. Swart: Is she aware that there was a cutback in allowance made to the hospital

in Welland because the ministry did not know that the chronic wing was operated in a separate building and the cutback was restored afterwards?

Hon. B. Stephenson: No, Mr. Speaker, I did not know that.

STATUS OF CORRECTIONAL OFFICERS

Mr. Roy: Mr. Speaker, I have a question of the Minister of Correctional Services: I would like to ask the minister about the status of two correctional officers at the Mimico Correctional Centre who were in the process of purchasing meat from one of the inmates; what disciplinary action has been taken against these guards? Secondly, are there more than two guards involved in this purchasing of meat?

Hon. J. R. Smith: Mr. Speaker, I was anticipating this arising from the Global TV story last evening.

Mr. Roy: You watch TV, do you?

Hon. J. R. Smith: The two correctional officers at Mimico Correctional Centre will appear before an internal hearing in regard to allegations they have been dealing with an inmate contrary to section 22 of the Ministry of Correctional Services Act. It is not alleged that the correctional officers committed a criminal offence.

The question to be determined is whether they contravened the Ministry of Correctional Services Act and thereby compromised themselves in their relationship with this inmate. In other words, the hearing will be to ascertain whether the officers used poor judgement; and if so; whether this had a detrimental effect on the performance of their duties. If the officers are found to have contravened the Ministry of Correctional Services Act, they could be subjected to a reprimand, a fine, removal from duty for a period of time without pay or dismissal from the service.

If the officers are not satisfied with any of the action taken as a result of the hearing they may appeal through the Public Service Grievance Board. I believe any further comment at this time could prejudice a fair, impartial hearing for these officers.

The Global Television report suggested that as many as seven correctional officers could be involved in allegedly purchasing meat from an inmate who was working on TAP in the community at the time. No evi-

dence was found to substantiate allegations that this number of officers were involved in such a situation. Whether two officers were involved will be determined at that hearing.

The Global report made reference to house painting by inmates and I can only conclude they were referring to a number of community projects on which inmate volunteers were assisting the government or non-profit organizations at cost or with no cost to either.

Mr. Roy: A supplementary: All he was doing was watching television on Global last night.

An hon. member: I was at church; where were you?

Mr. Roy: I would ask the minister, in view of the concern about this situation, first of all, has he referred this matter to the chief law officer for the Crown to determine whether there is not only a breach of the Ministry of Correctional Services Act but a breach of the Criminal Code, specifically section 110 of the code? Secondly, in view of the evidence in this case, has the minister investigated the other rumours about inmates and guards being involved in the paving of driveways, house painting and so on?

Hon. J. R. Smith: There has been a full investigation. I don't know whether it involved the local police or not. The inmate is no longer on TAP, awaiting the outcome of this hearing. As far as we know, there is nothing to substantiate the allegations made regarding the house painting or the paving of driveways.

Mr. Roy: What about referring it to the Attorney General (Mr. McMurtry)?

Hon. J. R. Smith: I'm only too pleased to have the Attorney General or the Solicitor General fully investigate this; we have full co-operation from both those ministries.

INTERFLOW SYSTEMS

Hon. Mr. Kerr: The hon. member for Hamilton Centre (Mr. Davison) questioned me concerning the operation of an industrial waste disposal plant by Interflow Systems Ltd. in Hamilton. I am advised there are problems with this operation with respect to off-property owners and stack emissions. Discussions have taken place with the company to identify the sources and to determine what abatement measures are necessary to bring the operation under control.

Consideration has been given to prosecuting the company but it was decided that in order to achieve compliance as quickly as possible a control order would be served instead. In the meantime, my staff are meeting with the company officials to determine the interim measures that can be taken to deal with the emission problem. If violation occurs again we would, therefore, consider prosecution.

Mr. Speaker: We'll allow one supplementary.

Mr. Davison: Is the minister still going to give me the series of correspondence that his ministry has had with the company which he promised to give me?

Hon. Mr. Kerr: I'm not sure from the hon. member's original question just what correspondence or documentation he has been referring to. We have been dealing with our office in Hamilton mainly by phone. If the hon. member is referring to correspondence between the company and the ministry, I would have to get the company's approval for that.

REALLOCATION OF JUVENILE INSTITUTION RESOURCES

Ms. Sandeman: A question for the Minister of Correctional Services: With reference to the minister's statement yesterday and the devotion stated in that statement to community-based programmes, I wonder if the minister could give us some timetables for phasing out the remaining 1,100 beds in the training schools?

Hon. J. R. Smith: We have no immediate plans for such a move.

Ms. Sandeman: Supplementary: Part of that statement said the capacity of 1,100 would meet any foreseeable peak requirements under existing legislation. I understand the minister was looking at potential federal legislation but I think the minister should tell the House, more important, what is happening to the provincial legislation. When can we expect to see the proclamation of deletion of section 8 of the Training Schools Act, given his ministry's devotion to the community-based programme?

Hon. J. R. Smith: I'd like to make it very clear to the hon. member that the bed capacity is 1,100. In fact, there are approximately 750 juveniles in the training school facilities at present and their numbers are diminishing

on a regular basis. We thought we had hit a new low last fall that and I'm pleased to say admissions are continuing to diminish. The whole matter of the proclamation of section 8 is before the policy field of cabinet and I just don't know when that section of the Act will be proclaimed.

Mr. Speaker: The oral question period has expired.

Petitions.

Ms. Bryden: Mr. Speaker, I have here a petition against the closing of Doctors Hospital from residents of my riding Beaches-Woodbine; 1,500 people in my riding signed this petition.

Mr. Speaker: Presenting reports.

Motions.

Hon. Mr. Meen moved that estimates be referred to standing committees as follows: To miscellaneous estimates committee—Office of the Assembly and Government Services; to administration of justice committee—Office of the Ombudsman, Justice Policy, Attorney General, Consumer and Commercial Relations, Correctional Services and Solicitor General; to resources development committee—Housing, Resources Development Policy, Agriculture and Food, Energy, Environment, Industry and Tourism, Labour, Natural Resources and Transportation and Communications; and that the committees be authorized to sit concurrently with the House for consideration of the estimates.

Motion agreed to.

Mr. Speaker: Introduction of bills.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Hon. Mr. McKeough moved first reading of bill intituled, An Act to amend the Municipality of Toronto Act.

Motion agreed to; first reading of the bill.

Hon. Mr. McKeough: Some of this is essentially a housekeeping bill, but there are some notes on it. Several provisions in this bill are designed to modify the financial administration of Metropolitan Toronto in keeping with current and recent trends in the financial marketplace through such measures as an increase in the maximum rate of interest for default payment and a broadening of the range of investment targets which the Metro government is allowed.

More specifically the provisions in this bill are as follows: interest on overdue payments between Metro and the area municipalities is increased from a maximum of half of one per cent per month to a maximum of 12 per cent per annum.

Metro assumes the power to invest money not immediately required in promissory notes guaranteed by a bank, and in promissory notes of municipalities and conservation authorities.

Metro is empowered to issue term debentures to establish and administer a retirement fund for term debentures and to issue debentures refundable after 10 years. Both of these types of debentures are now authorized under the Municipal Act. All debentures issued by Metro are to be ranked equally. This spells out what is now in fact the present law and in doing so it will facilitate the placing of debentures in foreign markets.

Another amendment removes the requirement of a three-quarter vote for expenditures for diffusing information about Metropolitan Toronto's advantages and attractions as a centre for industrial, commercial and tourism activities. Metro's granting power is broadened through repeal of the relevant section and the substitution of the comparable section contained in the Municipal Act. Metro Toronto will thus assume the broader granting powers now enjoyed by municipalities under the Municipal Act.

A municipality which reassumes responsibility for a Metro road automatically reassumes responsibility as well for any debenture liabilities in respect of that road.

Another provision deals with interim levies. Under the existing Act, Metro is empowered to issue interim levies to area municipalities in amounts not exceeding 50 per cent of the preceding year's total levy. Under the proposed amendment the limitation on these interim levies is increased to 75 per cent of the preceding year's total levy.

Metro is not now empowered to hire persons to act as auditors if they have served as consultants to Metro during the year being audited. This amendment provides Metro with the same power municipalities now have under the Municipal Act to have auditors act in other capacities.

Outside the area of financial administration, the bill contains the following provisions: The time for filling vacancies on the Metropolitan council is extended from 15 to 60 days. Metro is empowered to restrict the use of lanes on Metro roads not only to TTC vehicles as now, but also to taxicabs and to

private automobiles carrying four or more persons. Metro Toronto is empowered to delegate to the area municipalities the control of sidewalks along Metro roads in those municipalities.

Finally, there is an amendment dealing with the status of an institution known as Lambert Lodge. Under the present Act, Lambert Lodge reverts to the city of Toronto and Metro ceases to use it as a home for the aged. Now, with a joint request of Metro and the city, this provision is repealed.

REGIONAL MUNICIPALITIES AMENDMENT ACT

Hon. Mr. McKeough moved first reading of bill intituled, the Regional Municipalities Amendment Act, 1976.

Motion agreed to; first reading of the bill.

Hon. Mr. McKeough: Mr. Speaker, the amendments to this bill duplicate to some extent the amendment I have just outlined for the Municipality of Toronto Act. The highlights are the same. As in the previous Act, provision is made to increase from 50 to up to 75 per cent towards the portion of the preceding year's levy that the regions may impose against area municipalities in any year before the estimates for that year are adopted.

As well, the area municipalities may impose interim levies of up to 75 per cent on the prior year's residential mill rate on residential real property and up to 75 per cent of the prior year's commercial mill rate on commercial real property and on business assessment.

The regional municipalities also have their granting powers broadened—their borrowing powers brought in line with the Municipal Act and, similarly, their method of determining interest on late payments is standardized. As in Metro, auditors may serve in other professional capacities and the time limit for filling a vacancy on a regional council is extended to 60 days so that the area municipality has enough time to hold an election.

Finally, like Metro council, regional councils are being empowered to control development and redevelopment on land within 150 ft of a regional road and empowered to require dedication of land for park purposes as a condition of such development or redevelopment.

Of the amendments that pertain specifically to regional municipalities, one will bring the

provisions of the regional Act into line with recent amendments to the Highway Traffic Act, doing away with requirements that municipalities obtain provincial approval for certain kinds of traffic bylaws. Another amendment will allow regional municipalities to borrow for construction of water and sewer projects while awaiting money to be advanced under an agreement with the Ministry of the Environment.

Provision is made in the bill to provide for the determination of wards and area council composition, which shall be undertaken by the OMB in the future.

Other amendments are included in the bill at the request of regional municipalities.

Mr. Speaker: Introduction of bills.

The hon. Minister of Agriculture and Food.

DEAD ANIMAL DISPOSAL AMENDMENT ACT

Hon. W. Newman moved first reading of bill intituled, An Act to amend the Dead Animal Disposal Act.

Motion agreed to; first reading of the bill.

Mr. Good: Is that the cat and dog bill?

Mr. Eakins: It is a dead issue.

Hon. W. Newman: Mr. Speaker, it is just a very minor amendment, just to tighten up the bill a bit.

Mr. Speaker: Any further bills?

ANSWER TO A WRITTEN QUESTION

Hon. Mr. Meen: Mr. Speaker, before the orders of the day, I wish to table the answer to question 25, standing on the notice paper. (See appendix, page 1444.)

Mr. Speaker: Orders of the day.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE (continued)

Mr. Shore: Mr. Speaker, first I would like to take this opportunity, through you, to thank our leader for giving me this oppor-

tunity of leading off in this budget debate. I would like particularly to thank my colleagues for also giving me this opportunity to lead off and particularly for their confidence—

Hon. Mr. Meen: Where is your leader, now that you mention it?

Mr. Shore: —and for their particular help in helping me prepare this. I would like at this time to extend my deepest appreciation to the staff in the Liberal caucus and the Liberal Party for helping me. I think, probably most importantly, I would also like to thank the many people in industry and business and labour, small businesses, throughout this community, and the economists and professionals who have helped us in developing this critique.

I would also like to take this opportunity, Mr. Speaker, through you, to thank the Treasurer (Mr. McKeough) for being here and I hope that all members of this House will accept the comments I make as a sincere intention to help develop a better province.

I would like to start, by just quoting the first section of the 1976 budget statement by the Treasurer of Ontario, wherein he stated:

The 1976 Budget I am presenting tonight reflects the determination of this government to keep the province's finances in good order. It sticks to our plan for slashing the growth in provincial spending. It reorders priorities, trims government costs and reduces the number of civil servants.

[He also stated:] Ontario will achieve a large reduction in its cash requirements, maintain its financial integrity, and set an example for others to follow in the fight against inflation.

He goes on to state that he is addressing himself to five or six budget papers; namely, the economy, health financing, expenditure restraint, the labour market, property tax reform and the auto pact. During my comments I will be alluding to most of these and hoping to get some input into them.

Mr. Speaker, as a neophyte member of this Legislature but I stress to you not necessarily a neophyte in understanding fiscal financial matters, I could not help but admire the Treasurer's presentation of the provincial budget just over a week ago. His self-assurance, slick presentation of the so-called facts, the smug satisfaction at the reduction of the

deficit, the proud statement that no public borrowing would be required, all were quite impressive. As a theatrical performance it was well done indeed.

Unfortunately for the people of this province the Treasurer is a much better actor than he is a producer. This new budget is obviously and specifically designed to conceal more than it reveals.

Mr. Good: That's the whole point.

Mr. Shore: It is a masterly presentation of warped statistics and semantics, woven together with the consummate skill of a professional financial artist. Had the Treasurer and his officials spent as much time, I submit, in their effort in sincerely attempting to exercise some degree of financial responsibility, the people of this province would have been much better served.

The Treasurer makes much of the fact that the government's restraint programme is keeping budgetary expenditures down to 11.7 per cent. Even if this were accurate it wouldn't be a major achievement when we see that at least four or five other provinces this year will be under that figure.

In any event, the real increase in government expenditure, I submit, is something like 13.2 per cent, and the only thing that is being achieved is that we have been transferring the burden onto the municipalities and, ultimately, the property owners through the property taxes.

Mr. Good: Exactly; there's the crux of the whole thing.

Mr. Shore: One can place less confidence in the Treasurer's forecasts in view of the historical evidence which shows that the provincial government makes a practice of underestimating expenditures and, I must submit, in many instances overestimating revenue. For the last two years, the projected net cash requirements were underestimated each year by more than \$200 million. For all our sakes, we can only hope that this year's figure will stand the test of time better than the previous government forecasts.

The basic economic assumptions on which the budget is based are tied to a very optimistic forecast for exports in the coming year. Even though the level of exports revealed no growth whatsoever in 1975, the Treasurer expects us to accept his assessment that the 1976 level will rise by 20 per cent. I venture to suggest that the Treasurer is placing excessive dependence on this source of strength,

even though the United States economy is improving, and I hope he's right.

However, just to make absolutely sure that export statistics were presented in their best possible light, the Treasurer changed the basis upon which they had been calculated in the past. This came out, as you know, Mr. Speaker, in the House in the last day or so. The 1976 budget for the first time included services—and I stress “services”—in the Treasurer's calculation of exports, and the figures were adjusted on the new basis for 1974 and 1975. All very confusing when one opens up the 1975 budget to compare the estimates. But confusion is the name of the game—and it's a game the Treasurer plays with considerable skill.

Exports now include—Mr. Speaker, would you listen to this? Exports now include services and—to use the Treasurer's own words—“tourism, banking and financial services rendered abroad, freight and shipping, and international consultation.”

What really puzzles me is the item “tourism” being included as an export. Are we exporting tourists? If we are, surely that will show up on the wrong side of the ledger. It's all very confusing. Are tourists who come here considered imports then? Perhaps not, for that wouldn't help the Treasurer's case at all.

I sympathize with the Treasurer. We all sympathize with the Treasurer. He certainly has a problem. But the Treasurer is equal to the task: Tourists and exports are now one and the same.

Experts agree that the domestic economy remains weak, but it's improving, and yet the Treasurer projects an increase of 116,000 new jobs during 1976. This figure is 30,000 higher than the forecast made by the Conference Board and leading economic research agencies. Nor can we overlook the fact that, typically, the budget overestimated job creation last year by 20,000.

In this connection, one cannot help but question the accuracy of the 24 per cent increase in revenue from personal income tax without any adjustment in rates. Is this increase of about \$2 billion accurate and consistent with the forecast that employment will rise by only 3.2 per cent? Are we supposed to applaud the Treasurer and his ability to avoid the threatened \$2-billion deficit? We are still facing the second largest deficit in Ontario's history, at about \$1.25 billion; and this may well prove to be a low estimate since it's dependent upon a real growth in the Ontario economy of 5.3 per cent and a

growth in exports of 20 per cent. I submit, it could be closer to \$1.5 billion without any difficulty.

Mr. Roy: You are probably right.

Mr. Shore: A clever strategy last year rescued the government from net cash requirements of \$2 billion. How was this sleight-of-hand achieved? First of all, the date for filing corporate tax returns was advanced, so that the date fell before the end of the 1975-1976 fiscal year. The amount of money this brought into the treasury was well over \$100 million — just enough to rescue the Treasurer from a position of extreme embarrassment, a position to be avoided at all costs. If we look at the revenue section, we can see the indications of this.

Hon. Mr. McKeough: Except that that was in the budget last year. It was a one-time saving, which we acknowledge.
[3:15]

Mr. Shore: On budget night, the Treasurer announced with pride that net cash requirements for 1975-1976 reached \$1.889 billion. But add to that the amount \$100 million plus and the Treasurer's worst fears, his recurring nightmare, would have come to pass. I'm not so sure we're over with it yet.

The Treasurer saved himself another \$124 million by placing an embargo on ministries accelerating their spending toward the end of the fiscal year, but not soon enough. This iniquitous practice has been allowed to continue far too long. Incidentally, I find it interesting that both the Ministry of Housing, with a surplus of \$57.3 million, and the Ministry of Government Services, with a surplus of \$9.9 million, as the result of the Treasurer's embargo, had supplementary estimates last year. A further example of strange financial planning on the part of this government.

With an air of judicious wisdom, the Treasurer informed us: "Clearly, Canadian energy policy must be highly sensitive to broader industrial priorities and not further hinder our export efforts at this crucial time."

Yet his government's main measure in this connection is to remove the tax from insulation materials for existing houses. Is this the government's entire energy policy? What about the escalating hydro rates and their effects on our manufacturing industries and the Ontario economy?

Mr. S. Smith: That's it.

Mr. Shore: The government delights in warning of possible consequences of increase in oil prices, over which Ontario has little control. Hydro, on the other hand, falls within the jurisdiction of this provincial government and the corporation is allowed to plan enormous expansion projects, frequently in the face of enormous public opposition to the hydro corridors.

In his contribution to the Throne debate the Premier (Mr. Davis) said his government was prepared to face "the fundamental choices and issues," and accused some in this House of insisting on running away from them. I stress there is little evidence in this budget of any facing up on the part of this government. Rather there is a policy of shifting the responsibility to other levels of government and to the private sector.

Mr. Roy: They're all talk.

Mr. Shore: The Premier referred to the "fundamental public responsibility we all share in the House to serve the economic well-being of future generations of Ontarians." Is the Treasurer showing concern for future economic well-being when he persists in financial stratagems which will inevitably mean that the taxpayers of the future will be forced to foot the bill for past extravagance on the part of this government? Everyone's economic well-being is placed in jeopardy by the government's provincial debt, which last year increased to \$708 on the shoulders of every man, woman and child.

Mr. Roy: Shameful.

Mr. Shore: Interestingly enough, for a family of four that amounts to approximately \$3,000 and it will cost them in excess of \$300 a year in interest.

The Premier accused the opposition of "lack of faith in the people of this province and their ability to separate their wants from their needs, and to separate inconvenience from lack of service." Does he really expect people to believe that losing a community hospital is merely an inconvenience? I ask you, Mr. Speaker, does he really believe that?

Mr. Roy: Yes, he does.

Mr. Shore: Does he himself honestly believe that social services for our densely populated urban areas are only wanted rather than desperately needed? Taking a "holier than thou" attitude, the Premier accused the opposition parties of irresponsibility in risking an election "that would cost the taxpayers

millions of dollars." An election would cost something in the region of \$12 million. What about the \$9 million in taxpayers' money that this government threw away because of its irresponsible and amateurish sortie into the international money market a few years ago?

Mr. S. Smith: The German market.

Mr. Shore: There were overtones of comedy to this scene, tragic somewhat, as the Premier said:

We may stand alone in this House in our defence of a bright and economically viable future. We may stand alone in wanting to provide the people with secure and comprehensive medical care by streamlining the system.

The government only defends its own internal bookkeeping, I submit, with the present budget.

Mr. Roy: Right on. Right on.

Mr. Shore: Clearly, the taxpayers of this province are going to get little help with their personal budgets from a government which forces municipalities to raise property taxes, which increases OHIP premiums upwards of 50 per cent, which makes no attempt to generate employment opportunities, and as for the secure and comprehensive medical care system, some of the province's hospitals aren't so secure thanks to this government. Any streamlining of the Ministry of Health's administrative expenses is negligible.

The Premier spoke of maintaining "A healthy climate for the growth of the private sector." The Treasurer on the other hand says he leaves it up to the private sector to stimulate the economy.

The Premier talks of generating "greater wealth for all our citizens. If there is any real attempt to do this in this budget I stress it is not immediately apparent to me.

If the opposition parties force an election [he accused] they would be depriving the people of Ontario of a programme by the Ministry of Labour to reduce labour unrest in the province through greater analysis and study and initiatives.

When can we expect this magnum opus or has this problem been contracted out to consultants who will produce a slough of books like those tabled in this House recently?

Mr. S. Smith: They are waiting for the churches to support it.

Mr. Shore: Incidentally, they will pay probably \$8,000, as they did, to find some public relations person to write the opening remarks, perhaps.

Mr. S. Smith: Late at night.

Mr. Shore: As a matter of fact, I found it interesting that the word "people" was used so many times I really couldn't believe it was a government member writing that article.

Hon. Mr. McKeough: You wouldn't recognize it.

Mr. Roy: You started choking on the word after a while yourself.

Mr. Shore: I quote, "An election would deprive us of government initiatives to return to the taxpayer unused funds due to the strikes of employees of school boards." That's a great initiative.

An hon. member: Big deal.

Mr. Shore: It may even encourage further strikes so that we will have more to come back to the Treasury. Ask some of the Metropolitan members about that point. All this government has done for Metro recently is to ignore its frantic pleas for help in keeping down municipal taxes. The Premier said, "The opposition would deprive the farmers of an income stabilization programme." Where is the provision in the budget, I stress to the Treasurer, for such a programme, which it has been estimated will cost upwards of \$10 million?

Mr. S. Smith: Supplementary estimates.

Mr. Shore: Talking of the restraint programme for a moment, the Premier said, "I think the municipalities and the school boards are going to be able to do it in spite of the observations you people across the floor make."

Never mind our observations for a moment. Listen to the municipalities and the education boards, and particularly listen to Judy White, budget chairman of the London Board of Education, past chairman of that same board, who said recently that the board has had great difficulty with its new budget and realized "the hardships borne by the local taxpayer due to the withdrawal of support from the Ministry of Education." She said the board's main problem this year was the cutback in provincial grants and the lack of lead time from the ministry to allow boards to curtail spending.

I am sure the Treasurer will say he lets them know a month or two in advance. That's very charitable. I want him to know that this same Mrs. White is a strong Tory and, in fact, was a candidate in the last Conservative nomination at London, Ont.

Interjections.

Mr. Gaunt: That explains it.

Mr. Riddell: Isn't that embarrassing?

Mr. Roy: You'd better get rid of that seat for her on the other side.

Interjections.

Mr. Good: They'll get her a job somewhere.

Mr. Shore: Mr. Speaker, I could hardly believe my ears when the Premier stated: "They would wish this province with no goals, no development strategy and no capacity to protect its future." I would say to you, Mr. Speaker, and to the Premier—without being provocative as he often states we are—that clearly this government has no goals except for the single political goal of remaining in power. If there is a development strategy it certainly is being kept well under wraps.

Mr. Roy: That's it.

Mr. Shore: The only future the Premier and the Treasurer appear to be interested in protecting is their own.

Mr. Roy: That's it. They should resign.

Mr. Shore: At the beginning of this session the key word of the Throne Speech was the necessity to come to grips with inflation. After a somewhat specious reference to this—incidentally, I have read budget speeches since 1972 and the opening remarks are almost the same.

Mr. Roy: They are all this Treasurer's.

Mr. Shore: No, they are not all his. He had relief for two years.

Mr. Roy: The same speech writer.

Mr. S. Smith: They are all written by Lorne Henderson.

Mr. Shore: After a somewhat specious reference to this being a time of optimism about Ontario's ability to maintain the quality of life of its citizens the government admitted that we face some critical economic realities and must adjust our priorities.

Reference was also made to the need to streamline government programmes. One might have been forgiven for wondering if a piece of the Liberal Party's campaign literature had inadvertently been included in the Throne Speech, because this last fall Liberal candidates across this province stressed time and time again the urgency of adjusting our priorities, of exercising financial responsibility, of streamlining government programmes and cutting down on waste and extravagance.

Mr. S. Smith: And we were told there wasn't any.

Mr. Makarchuk: Throw him out.

Interjections.

Mr. Shore: Undoubtedly some of our present financial problems can be attributed to the world-wide inflationary trends, but the government of Ontario has paid little or no attention in the last four or five years to the concept of financial responsibility. When the provincial Treasurer introduced the budget last year he said that it reflected, and I quote: "The integrity and sound financial management of some 30 years of Progressive Conservative rule."

I found the claim of sound financial management extraordinary, to put it mildly. Let's consider the record. The member for Chatham-Kent was provincial Treasurer in 1971, as he is today, and when he brought down the budget he stated that it was his intention: "To maintain firm control over public spending in order to contain tax levels and the generation of inflationary pressures."

Perhaps his interpretation of firm control, Mr. Speaker, is vastly different from yours or mine, because provincial government expenditures increased by 15.5 per cent that year, almost \$1 billion. There was a deficit of \$1 billion because at the end of the year's spending estimates were more than \$1 billion higher than the budgetary estimates.

In 1972 the Treasurer promised: "Rigorous restraints on spending to curb inflationary forces as the economy moves back to full performance." But what he delivered was an expenditure increase of almost \$400 million; and that's when we were moving back to full performance. Government spending increased 50 per cent more than the cost of living that year. If the Treasurer followed the policy of restraint—rigorous or otherwise—it was not very effective, because by the end of the fiscal year total government spending was over \$1 billion higher than the original estimates.

The 1973 budget was presented by a different provincial Treasurer, the former member for London South, Mr. White. He said it was vital: "To exercise maximum restraint in provincial spending." Nevertheless, he proposed a spending increase of \$760 million, an increase of 11.7 per cent over the previous year.

An hon. member: Where is he now?

Mr. Shore: Presenting the 1974 budget, the Treasurer informed the people—as if they didn't know by now—that: "The most important problem facing us today is inflation." Now we have only heard that for a number of years. "Spending in the public sector must be controlled," he said; and promptly called for an increase in government spending of 14.9 per cent while predicting the inflation rate for the general economy would be 7.7 per cent by the end of the fiscal year. It was obvious that the government had yet again underestimated its spending requirements for the fourth consecutive year—

Mr. S. Smith: It is no accident.

Mr. Shore: —because the predicted increase of 14.2 per cent had jumped to 20 per cent plus. The budget was overspent by approximately \$385 million.

Mr. Speaker, deficit financing has become almost a matter of government policy. In the 1970-1971 fiscal year, Ontario's budgetary and non-budgetary deficit was \$566 million.

Mr. S. Smith: Roberts knew better than that.

Mr. Shore: The following year, an election year incidentally, it was more than \$1 billion. In 1972-1973 it was \$744 million and in 1973-1974 it was \$708 million. Last April when the provincial budget was brought down for the fiscal year 1975-1976, we learned that the government was going into debt \$1.7 billion and the expenditures were increasing 16.8 per cent. A mini-budget was subsequently produced and updated to December of last year. The increase in government spending had jumped from 16.8 to 21 per cent. The budgetary and non-budgetary deficit figure updated to December was \$1,976,000,000, almost \$2 billion; and I submit, when we get finished playing with the figures, it will be \$2 billion.

In the four years from 1970 to 1974 the province's accumulated net debt more than doubled—from \$1.4 billion to \$2.9 billion. By March, 1975, this provincial net debt had risen to \$3.5 billion. Does this sound like a

record of sound financial management? It does not to me.

[3:30]

Mr. Haggerty: It is a record.

Mr. S. Smith: Just sound, that's all; pure sound.

Mr. Roy: We'll give you full marks for consistency, Darcy.

Mr. Shore: Year after year, the provincial government has talked about restraining expenditures and about the dangers of inflation, and yet government programmes were expanded. No attempt was made to improve efficiency in the various ministries by streamlining the programmes or cutting back on duplication. As recently as last year, the government introduced programmes that were blatantly aimed at vote-catching. Surely with the thousands of staff available to a very capable Treasurer, he would know back in September some of the problems we face today. Surely we could count on that. Well we wouldn't know it by that mini-budget.

There will be an additional \$45 million over the next two years in connection with the home ownership grants. You know, we talk about their giving away money on the automobile rebates and on the housing gimmicks. I say to the Treasurer, though he may challenge—and we will too—the effectiveness of that on the economy; but one thing he can't challenge, I submit, is that the beneficiaries of most of those moneys were not the people who really needed it in the Province of Ontario.

During the election campaign, the Premier promised that a system of tax credits would be introduced which would effectively lower high mortgage interest rates. I didn't hear him say that himself, but I heard one of his candidates say it. He has now abandoned this plan, which would have given a yearly allowance of up to \$500 to reduce interest charges on residential mortgages above 10¼ per cent. Families were enticed into the market with that promise. People who have over-extended themselves financially to buy a house because of that first-time homeowner's grant will have no assistance with their mortgage rates. And now they face greatly inflated property taxes because the province has reduced the rate of provincial assistance to municipalities. The real problem is to get more housing built at least cost.

To some extent, the automobile sales tax may have stimulated sales but, as I stated, the wrong people were the beneficiaries.

The Treasurer, in his great wisdom, has decided that "the Ontario economy does not require government stimulation at this time." He and his colleagues have decided, having shifted the responsibility for raising increased revenues to the municipal level, that they expect the private sector will be able to pick up the slack and stimulate the economy. However, he hastened to reassure us that "this does not imply a purely passive role for the government."

Are the insignificant tax cuts to small businesses the only measure the Treasurer is capable of bringing forward? While we are fully aware that, with this government, we must at all times be thankful for small mercies, I fear some people—those whom the Treasurer would doubtless consider misguided in their tendency to be less than charitable towards government policies — some people might say the government is following a policy of absolute neglect in this connection.

The Treasurer tells us he is providing stronger incentives to Ontario's small businesses. He is doing nothing more than eliminating some of the burdensome paperwork involved in the government's tax credit scheme for these companies. I appreciate that and I thank him for it. Incidentally, the independent businessmen's associations have been lobbying the government to simplify this system for the last several years. The number of companies to benefit has increased to 50,000 from 20,000 it's true; but by reducing the tax rate from 12 per cent to nine per cent, the Treasurer is not providing one extra penny to small businessmen in Ontario. He admits himself that the \$30 million cost of this reduction is identical to the cost of the tax credit scheme which it replaces, with the exception of some minor adjustments during the adjustment period.

The net result is that a larger number of businesses must divide the same size pie into smaller pieces. In addition, the small businessman will be forced to pay increased OHIP premiums, thanks to the Treasurer.

We cannot help but be concerned about the government's restraint programmes. There is little evidence the Treasurer is really interested in restraint. No attempt has been made to reduce unnecessary extravagance on non-essentials. The government's priorities in respect to cutbacks are strange, if not actually warped.

The government closed down the public health laboratory in Kenora to save \$12,700, yet spent \$9,500 on a car for the Deputy Minister of Health. Let's not forget the

\$67,000 for the renovating of the vice-regal suite here at Queen's Park and the \$4,000 for a new ministerial lounge. That may be petty cash and nickels and dimes and so on, and I have heard that even \$450,000 is nickels and dimes. I submit until we start looking at nickels and dimes we will not be saving dollars.

There is another \$500,000 on a study commissioned by the Ontario Institute for Studies in Education to ascertain if high school students can read and write when they graduate—surely an indictment of the Conservative government's educational system. And what about the \$19,000 to buy plants to decorate the new Transportation and Communications building on Highway 135 in London, not to mention their upkeep over the next few years, for a total of \$30,000.

Mr. Mancini: It grows on you.

Mr. Shore: This is interesting. When my colleague, the member for Huron-Middlesex (Mr. Riddell) questioned the Minister of Government Services (Mrs. Scrivener), that talented, capable minister, in this House about this latter extravagance in relation to small hospital closings, she dismissed the matter with a contemptuous comment that it was like comparing apples and oranges. Would you believe that to be an intelligent answer to a real, responsible question? I wouldn't.

Mr. Roy: Typical of that government.

Mr. Sweeney: Wormy apples.

Mr. Shore: It sounds a little like Marie Antoinette telling the peasants to eat cake when they couldn't afford bread, doesn't it? It really does.

Last November the report of the special programme review committee was tabled in this Legislature. It contained a clear warning that public spending was out of control and made some 184 specific recommendations for restraint and review. Norman Webster, Queen's Park columnist for the Globe and Mail, commented:

The message has come through starkly and painfully to the Davis government in the past year or so.

I want to tell you, Mr. Speaker, it must have come through very quickly because in September they weren't aware of it. In November they suddenly became starkly aware of it. To continue to quote from Mr. Webster:

The buoyant days when anything that seemed worthwhile could be paid for, have ended with a crunch. It all adds up to a

significant moral victory for the Liberal leader, Robert Nixon, who has been preaching precisely this for years.

Maybe Mr. Claire Hoy would like to read that.

Mr. Roy: Why doesn't the Treasurer admit it?

Mr. Shore: Since that time Maxwell Henderson, the Conservator mentor, I must suggest has warned the provincial government that it should have put its own house in order by cutting fat from government spending before implementing some of the other cutbacks recommended in his committee's report. He said:

In my opinion, our present political leaders are downright irresponsible to think they can spend our hard-earned dollars so recklessly. All it does is fuel our domestic inflation still further.

That is coming from the mentor.

Mr. Roy: That's the Treasurer.

Mr. Shore: Incidentally, through the Treasurer, back in the early months of October and November during my early neophyte days, I have asked the government to allow debate on that Henderson report to be put forward in this Legislature. I have asked that the members of this Legislature be taken into the government's confidence with respect to our financial situation so that we may make a contribution through debate to the solutions to the problem.

The Treasurer makes a pretence of inviting public discussion, yet makes no attempt to discuss these important matters with the elected representatives of the people. In my opinion, the government should not make unilateral decisions in relation to establishing priorities for the province, without at least bringing before this House the rationale for taking decisions such as the implementation of the restraint programme.

The government of Ontario is supposed to be accountable to the people through this Ontario Legislature, yet this is not the case. Consider, for instance, the position taken by the Minister of Community and Social Services (Mr. Taylor). He has announced that municipal welfare departments, Children's Aid Societies, homes for the aged and other agencies, must live within increases of either 5.5 per cent or, in some instances, 7.5 per cent. In spite of the constant questioning in this House—and I say to you, constant questioning—he refuses to give a simple answer as

to how this can be done. I submit he was either withholding it or he doesn't know it and either one of them is irresponsible.

Of the \$230 million in additional funds which the Treasurer of Ontario (Mr. McKeough) says will be going to municipalities this coming year, some \$140 million more is purportedly going for education. I stress that word "purportedly," because as this debate will develop, perhaps our education critic and others may find some very serious questions to ask in that regard.

However, very few of the major boards in Ontario appear to be getting any of this money. I would like to know who is. In view of the large salary increases which have occurred, for which this provincial government is at least partially responsible, how can the government justify forcing the municipalities to become responsible for paying the increased educational expenditures out of the property tax? I will illustrate that in a moment.

With some of my Liberal caucus colleagues, I have been visiting various municipalities to discuss the entire question of the provincial-municipal relationships and the effects of the government's restraint programme. In recent years, the province has transferred payment of up to 16 per cent increases to the municipalities. Now they are only prepared to transfer 7.8 per cent. This change of policy is, of course, creating real difficulties for the municipalities, and I cannot help but question the morality and good business sense of making drastic policy changes of this kind without proper notice and proper planning.

Obviously, we must evolve some better approach to this provincial-municipal relationship if we are to expect municipalities to be reasonably autonomous and to plan intelligently. In my opinion, the provincial government and the municipalities should establish budgets on a multi-year basis rather than basing their calculations simply on a 12-month period. This would be more efficient and enable the municipalities to establish priorities and make long-range plans, and I submit to you, Mr. Speaker, and through you to the Treasurer, these municipalities want to do it. They are dying to do it. Give them a chance. It is vital to municipalities and school boards across this province, essential for effective planning and the solution of serious problems, that we have budgetary information available which will facilitate the establishment of new and changing priorities.

The municipalities are very concerned over the province's overnight decision to reduce transfer payments. Before anyone jumps up and says it wasn't overnight, as far as I am concerned it was. Maybe it was a month earlier but it is still overnight. The most noteworthy complaint has been that the programmes which municipalities must finance were predominantly initiated by the province and the standards were set by the province also. They ask how they can be expected to keep these provincially established standards when the provincial funds available for the programmes are reduced.

Some municipalities have expenditure increases of only seven or eight per cent, but need a 15 or 20 per cent increase in revenues, which are coming from the property tax base, because of the changes in the transfer payments. Obviously, the municipalities are going to be seen as the villains of the piece when they are forced either to cut back programmes or raise property taxes.

I would just like to refer you, Mr. Speaker, to one little observation, and I will say something on this in a moment, but the London Board of Education—and believe me, I've served on the board and I know that some chastisings are sometimes essential—the London Board of Education's current budget, now completed, will increase approximately 10.7 per cent. I submit to you that despite all the things you want to say about it, it is probably less than the Province of Ontario's budget will be. That 10.7 per cent will mean, to the taxpayers of the city of London, a mill rate increase of 31 per cent. If that isn't transferring back on to the property-taxpayers, you tell me what is, Mr. Speaker. This is the same government that said the property tax base is very regressive.

[3:45]

Mr. S. Smith: In 1943 they ran on that platform.

Mr. Shore: The province's astronomical overspending over the last four of five years has been passed on to the property-tax payer who, in many instances, will not be aware of this until the next tax bill is received. Municipalities had no choice since they are locked into so many programmes of a long-term nature.

The Treasurer's ambivalent attitude to municipalities is typified by the fact that one day he congratulates the Metro people on efforts to reduce spending and another day he practically calls Metro council cry babies because of their protests about the effects of

increased OHIP payments on the municipal budgets because of the payroll setup. First, he says, "I am gratified to notice that Metro is rising to the challenge." Then he says, "If it would do what others are doing and look facts in the face, it could find room for efficiency and belt tightening."

He even said—I am not sure I am quoting him accurately but it was something to this effect—at a public meeting which I attended, "Get rid of the paintings in the subway." But he puts plants in the Ministry of Natural Resources buildings in the Province of Ontario.

Maxwell Henderson is not alone in his criticism of the present provincial government. Someone else, it seems, has joined the ranks of Tory critics—the former Conservative member of the Legislature for London North, Mr. Gordon Walker. He has recently written to the Premier (Mr. Davis), with a very private, confidential and exceptionally large public circulation list, chastising the government for its many deficiencies.

This dyed-in-the-wool Tory has called upon the Premier to eliminate government bureaucracy. He has asked that government departments, ministries and programmes be reassessed to determine if we could get along without them, and that the government get rid of policies like land banking which has the effect of driving up prices of new homes. He has suddenly realized that. Would you believe this, Mr. Speaker—I am sorry the Minister of Agriculture and Food (Mr. W. Newman) is not here; I would suggest this to the rural members—he even suggested that we get rid of the Ministry of Agriculture and Food.

Mr. Riddell: Nobody likes food better than the Treasurer.

Mr. Shore: He also suggested strongly in a public statement that Westminster Hospital in London was going to be transferred from the federal government to the Province of Ontario and the move was virtually in place. I want members to know he said this right in the middle of the election campaign, of course. Only recently, the deputy minister of the federal Department of Veterans Affairs said publicly that disapproval of the transfer was a great surprise to him. It appears either his credibility is in question or he finds it much easier to criticize as a former member than he did as a member. I submit it is probably both.

Borrowing from pension funds is another interesting economic and mathematical game

which is being stressed. One could almost admire the Treasurer for the manner in which he so proudly announced—this is probably one of his most significant announcements—"the government of Ontario will not, I stress, require any public borrowing in 1976-1977." I say to you, Mr. Speaker, it takes a lot of nerve to make a statement like that to a Legislature which is fully aware of the true situation.

Mr. S. Smith: That's right.

Mr. Shore: Of course, no matter how we look at it, the province has indeed borrowed and has increased the debt by another \$1.241 billion or another \$150 for every person in Ontario this year. It must be paid at some time. It is sheer hypocrisy to attempt to disguise the true facts by stating the province will not have to borrow from public funds when again, as in years prior to last year's budget, the government has spent an amount equal to revenue plus the amount of in-house borrowing available from the pension funds.

The government is, as usual, relying on these pension funds of the Canada Pension Plan, the Teachers' Superannuation and Municipal Employees Retirement funds. We all know that these funds will not necessarily be available as future borrowing sources.

Pension funds are, to a certain extent, non-renewable and as a source of funds definitely have a limit. Estimates are that disbursements will exceed revenue in the early 1980s and this effect will be heightened as benefits rise through indexing. I would just like to observe, as my good friend from Waterloo North (Mr. Good) indicated to me, that of the \$850 million that is being borrowed this year—it's an interesting observation—\$425 million will be used just to pay the interest on the borrowing from the Canada Pension Plan. That's not good financial management—not in my books.

Mr. S. Smith: Be honest about this. Get it out in the open.

Mr. Shore: Borrowing from non-public funds is a type of "crowding out"—as otherwise funds would be invested elsewhere. So there is a definite opportunity cost involved. The Canada Pension Plan will run out around 1982. I haven't all the advisers the Treasurer has, but I wouldn't be surprised if it was earlier.

The Treasurer has recently proposed doubling the contribution rate in order to keep a borrowing surplus available. In other words,

not only does he expect the municipalities to accept the responsibilities to raise increased revenues, and the private sector to stimulate the economy, he would also like the individual taxpayer to help him out in another way—by paying more into the Canada Pension Plan so then he and his colleagues can continue on their merry spending way.

Mr. Good: Shame on you—and that's what you want to do.

Mr. Shore: Surely the government realizes it is becoming increasingly more important in the long run, in view of inflationary forces, that we ask that these pension funds be invested so that they can earn the highest possible rate of return for the future recipients, and not the average seven to eight per cent currently being received from Ontario debentures—and maybe even nine per cent in some instances.

Mr. S. Smith: Money is money wherever you borrow it.

Mr. Shore: A joint study group looking into the investment policies of the Ontario Municipal Employees' Retirement Systems (OMERS) has concluded that the funds should be invested in a broader range of Canadian securities to obtain a higher rate of return than the Province of Ontario debentures are yielding. This is becoming increasingly necessary with inflation forcing the indexing of pensions.

Mr. S. Smith: That's right; robbing pensioners.

Mr. Shore: The Teachers' Superannuation Fund will in all likelihood broaden its investment portfolio and the province will be able to borrow less from these sources.

The province used pension funds to finance \$1.2 billion of its deficit last year. Again, this year there is no incentive to balance the budget any closer than whatever amount is available from these in-house funds.

The problem with relying on these pension funds, I submit, is that the government is building a certain level of expenditures. When these sources are no longer available, or grossly reduced, the expenditure pattern will have to be drastically altered. The government would have to take drastic measures to decrease spending if it did not have access to these pension funds. Maybe that's the type of discipline we should have.

There are certain inherent weaknesses in the government's policy of in-house borrowing. The discipline of the open market is not

applicable, and it also forces the pension funds to accept an artificially low return for their investment. Of course, we cannot overlook the fact that as Ontario would be considered the employer of the pension recipients, the government would in the event have to make up any deficit in the future anyway. So that unless these pension funds are maintained at a sufficient level, it is simply a matter of putting off the day of reckoning.

Incidentally, it is interesting that of the \$9.42 billion lent to the provinces from the fund in recent years, Ontario—one of the wealthiest provinces—has borrowed \$5.2 billion, mostly for the construction of colleges, universities and hospitals during the Sixties and Seventies—some of which now are being talked about in terms of closing.

Mr. Good: That's terrible.

Mr. Shore: I would like to take this opportunity to ask the Treasurer (Mr. McKeough) what happened in connection with the indication in the financial statement of 1975 where he stated that an actuarial study on the pensions funds, and specifically the public service superannuation fund as at Dec. 31, 1973, was being prepared. Is this actuarial study available, and what exactly does it show?

On the subject of this government's educational policies, I don't think this is an appropriate time to discuss the many shortcomings of the system. However, I would like to spend a few minutes on some financial matters in connection with the respective responsibilities of the ministry and the boards of education.

When the Minister of Education (Mr. Wells) announced school board grant levels back in December; he made it appear that the province was being very generous. School boards would receive, he said, eight per cent increases in elementary and secondary school grants, with an additional \$80 at the elementary level. Very generous, it would appear.

The minister was less boastful, however, about two other actions which, for many boards, totally or partially eradicate the province's supposed generosity. One was the removal of the declining enrolment factor—a partial grant given in recognition of continuing costs the year after the enrolment declines. This especially hurt large urban boards at the elementary level.

The other action was the shift of provincial support for the cost of education in general—

from 62 per cent to 60 per cent on the average. The Toronto board members protested against what they considered a "con job" foisted on the public—the government's bragging about its supposed eight per cent increase—at the road show meeting in Toronto. And I stress it was a road show, because it seems to me it's irresponsible for senior ministers—and there were many of them, including the Minister of Health (Mr. F. S. Miller) the Treasurer and the Minister of Education—to be travelling throughout this province, giving big speeches to hundreds of people from the municipal councils and boards of education, who felt they were providing input, only to be told: "Here is the statement. My ministry officials are here. I'm now going to a press conference." That's an insult to intelligent planning.

An hon. member: Right.

Mr. Shore: The Toronto board continues to assert their claim in spite of the Minister of Education's contention that Toronto is inflating the amount of money its claims it will lose, compared with last year's grant.

London school board trustees have accused the ministry of "gross deception and dishonesty and chicanery"—and I mentioned some of the facts a minute ago—in his presentation of provincial financial support to school boards in 1976. The London board's officials have calculated that in spite of the minister's announcement of an eight per cent increase in grants at the secondary level, because of the cutbacks in the rate of grant their grants from the province are actually going down by five to six per cent in 1976.

I am not here to defend boards of education, because in many instances they deserve to be chastised. I am here to say that perhaps if they as a group were more aggressive and less passive in their relationship with this government—and I think this is also true of municipalities—they would have more of an opportunity to get that authority to be accountable. However, let me say this with respect to the problems facing municipalities today: The responsibility must be laid substantially at the door of the government of Ontario. Boards of education and municipal councils have become, to a great extent, dartboards for the government and the public to blame for matters which are out of their control to a great extent.

Let's look for a moment at the ceilings on education. Several years ago, when I was on the board of education, I said that they were really not effective. History has proven

this to be true. The ceilings on spending became the floor on spending by many boards. To a great extent this was because the boards did not have to account to the local taxpayers to any great extent.

Look at what happened to education costs during this period. According to the Henderson report, working on a basis of 100 in the year 1970, spending went up from 108 in 1971 to 118 in 1972 and to a projected 205 in 1976. And this was with the approval of the government of Ontario through its saving process.

During that period, the ministry constantly said how great everything was and kept referring to statistics which did not recognize that enrolments were dropping. The other observation I have is that instead of boards concerning themselves with the quality of education, too much attention had to be given to economic matters and teacher negotiations. Ask any trustee, any administrator or principal what percentage of time is spent on truly examining the education system and improving its quality for the benefit of the consumers, namely the students, and they will tell you not nearly enough because they are trying to fight for a balanced budget and play the game with the Ministry of Education and the Treasurer.

Again, the fault lies to a great extent with the provincial government, because municipalities and boards have little control over their destinies and this situation is aggravated by the fact that planning and transfer payment decisions are made from year to year. In this connection, we have only to look at the extremes of the percentage of transfer payments this year, compared with last year. For example, an increase of more than \$500 million was transferred last year, compared with the previous year, and only a little over \$200 million has been transferred this year. I think we would all agree that these extremes make it impossible for anyone to plan intelligently. Let me say that perhaps there was much too much transferred before. I submit it is a waste of talent and a strategy for the student that the educators and boards and municipalities cannot spend—and have not spent—more time attending to educational matters and municipal matters.

Obviously, this will not change sufficiently until this province really changes its attitude toward the relationship between itself and its municipalities. I submit that will only happen when the government changes its own attitude, its belief in planning for more than one

year at a time, and make the basic essential change to multi-year financial planning.

[4:00]

I submit in many instances municipally elected people are receiving "danger pay" as their salary to stave off the criticism caused by the actions of the provincial government. I say this not only because of this year but also—on the other side of the coin—because there were many years when the provincial government transferred too much without any real plan.

A typical example of the poor planning concept is the statement made by the Minister of Education (Mr. Wells) in London. Local taxpayers were, and I quote, "understandably perturbed at the announced 31 per cent increase in education tax rate for this year."

However, the minister felt this was not unreasonable in view of the fact—and this is not a quote, this was just a statement he made in a speech—that over the past five years tax increases have not got out of hand. But this is no comfort to these taxpayers who are faced with an enormous increase because of the typically poor planning this government has done.

Surely, even the Minister of Education knows we are not dealing with the same taxpayer this year as we were last year, or the year before, or the year before. And surely the same Minister of Education must know, and hopefully he does, that the circumstances have also changed.

Mr. Breithaupt: I hope the cabinet will read this.

Mr. Shore: Possibly we should have seen the writing on the wall with respect to the increases in OHIP premiums during the last election campaign, when Conservative candidates proudly boasted that despite inflation these OHIP rates had not increased in five years.

It is true that premiums had not gone up since 1972. But surely the present increase is excessive under any circumstances. The government maintains the increase will not create real hardships for Ontario taxpayers because most people are involved in group plans with considerable employer contributions—and employers, for the purpose of the budget, are equated for the most part with corporations, able to write off these increases on their taxes. In fact, the budget estimates that employers will recoup some \$50 million through these write-offs.

What about the non-corporate OHIP groups? What about municipal workers, school board employees, hospital workers and government employees? Mr. Speaker, I would just like to refer you to a statement that we have received, from the municipal liaison committee, which states more or less that preliminary figures indicate that Metro, the city of Toronto, the region of Waterloo and the region of Peel will have to pay in excess of \$1 million—just those four communities alone—because of this decision.

Typical of the devious methods followed by the Treasurer in this year's budget is the fact that with the OHIP increase he has once again managed to have his cake and eat it. Not only will the province have increased revenues because of the higher OHIP premiums, but as the premiums are a standard fringe benefit in many contracts and therefore a taxable benefit, personal income tax revenue will increase accordingly. Yet one more example of the provincial government winking a little more money out of the individual taxpayer without getting the blame for it.

Following the budget announcement that rates for semi-private hospital accommodations are increased from \$7.50 to \$11, and from \$12 to \$22 per day, Blue Cross announced that it would be forced to more than triple non-group subscribers' premiums. It seems to me that that is also irresponsible.

Over the last few years a number of commissions and groups have recommended methods by which the health care delivery system could be restructured to operate more effectively and to accomplish its function more directly. The current need for financial stringency would have provided an excellent opportunity to launch a realignment of the system. Instead, we have patchwork and harmful adjustments to the existing system, rather than the fundamental changes which are so badly needed.

Anyone who doesn't think that such fundamental changes are necessary has only to look at the government's recent activities in closing down community hospitals and the developments which we have witnessed in other areas. The alleged abuses of the system by private laboratories and certain doctors, for example; the recent revelation that some 800 doctors are earning \$100,000 annually or more through OHIP; and the unique position of oral surgeons, one third of whom are earning over \$80,000 a year.

In the Legislature recently, my leader asked the Minister of Health about a claim

made by the Ontario Hospital Association that some \$16 million had been withheld from Ontario hospitals during these months—an amount, which, incidentally, is in addition to the \$85 million voted in supplementary estimates. This \$16 million was supposed to have been spent in the fiscal year. Has any provision been made for this amount in this year's budget?

One cannot but be shocked at the attitude of the government to the hospitals concerned. The ministry has taken the view that while it knows the hospitals have spent within their approved budgets for the few months in question, the government is just not in a position to give the hospitals the money which they had been promised.

Rather interestingly, just yesterday or the day before, in the question period, a question was asked several times—with no answer that I am satisfied with—of the acting Minister of Health (B. Stephenson). Could they tell us how much more or how much less, or what is saved as a result of the waffling on the hospital closings in these four major centres? Could they tell us how much they have saved by this changeover, and how they arrived at that decision? I submit it was a typical answer we received—they don't know the answer, or they don't want to tell us, or it's too early. Surely when they are making major decisions like that it is not unreasonable to expect that they should have the answers?

Mr. Conway: Don't ask the cabinet now. There are not too many of them around.

An hon. member: They have all disappeared.

Mr. Conway: Where have they gone?

Mr. B. Newman: Not a single one.

Mr. Speaker: Order, please.

Mr. Shore: It might well be that the Treasurer is helping the Minister of Revenue (Mr. Meen) deliver some of these documents that got out a little earlier.

Mr. Conway: Must be a Lenten fast.

Mr. Shore: Typical of the haphazard handling of the restraint programme in the health field is the fact that Victoria Hospital in London, Ontario, was advised late in February that about \$1.9 million was to be cut from its budget allocation, but it has now been told that this reduction will be less significant, that further funds will be available for the 1976 operating budget. Inciden-

tally, the original cutback order was by far the largest handed out to any hospital in the province. Naturally, I am delighted for that for Victoria Hospital. However, I ask the question: What happened in its original planning? Where did it go wrong, and are these funds in the budget?

I am also disappointed in the projected housing starts for 1976-1977, numbering 82,000. Is the Treasurer not concerned that 82,000 starts this year will put us further behind in producing sufficient housing for our population? While the Maxwell Henderson report previews a target change from 100,000 to 80,000 annually, even the economy-minded Mr. Henderson was not so bold as to set 80,000 as a target but suggested that further population trend studies were necessary. I have seen nothing to convince me that the target of 100,000 starts, which has been accepted as the reasonable expectation of performance in this province over the past few years, should be so drastically modified.

Why is it that this province, this great wealthy province—and I use the Treasurer's own words, "the dynamic economy of this province of opportunity" — consistently produces proportionately fewer starts than the rest of Canada? The upturn here is always slower and the downturn always swifter. I do not wish to bore this House with statistics, but I would just like to place these on the record:

Cumulative figures for January and February, 1976, show for single detached starts in urban Canada an increase of 75 per cent over the same period last year. For all other starts there is an increase of 113 per cent over the same period last year, but for urban Ontario the upswing has been weaker. Single detached starts have increased by 57 per cent and all other categories have increased by 71 per cent over the same period.

While I and my party are very disappointed with this projected level of starts, we are very much more disappointed that neither the budget nor the budget statement indicate any priority at all for stimulating the production of housing. Let me remind this House, there is no other industry that generates the multiplier effect more dramatically than the construction industry. There is no other industry that can put more persons to work than the housing industry. There is no other commodity more needed in this province than affordable housing.

In the circumstances, it saddens me to observe further that we shall apparently be very lucky indeed to reach even the reduced

production projected by the budget. At the very base of the housing problem is the municipal finance problem. Studies have shown that municipalities experience a net loss on each unit of moderate cost housing they accept. OHAP has bridged part of this gap but a large deficiency still exists. This year, with the severe constraints in municipal budgets, how will municipalities be able to shoulder their responsibility to provide housing for our people?

Information has reached us that shows clearly the problem we shall face in just a few months. Housing starts are up for the early months of 1976. However, approvals are seriously down. This will inevitably be reflected in drastically declining production as the year continues.

The revenue accruing to this province for each unit of new housing is an amount between \$3,000 and \$4,000, representing personal and corporate tax revenue in addition to the consumption tax revenues. A shortfall in housing starts will seriously undermine the anticipated revenue projected in this budget, which is truly cause for concern.

A few weeks ago, the Urban Development Institute came forward with a plan for developing moderate cost housing. This report demonstrates, as no report has demonstrated before, that the development industry is able to produce the types of affordable housing in demand today. The industry is aware that the main problem is affordable housing. Let me quote from this report: "The affordability of housing is one of today's most controversial and most critically important social and economic concerns." They go on not to merely outline the problem but to offer the solutions. That is what impresses me; here is the industry coming forward with creative solutions.

However, there is no way under the present municipal financial arrangements that communities can afford housing that represents a net drain on present property owners. This is the heart of the problem. This is at the very core of the housing problem. The municipalities are again expected to raise the funds. The taxpayers are expected to foot the bill as usual.

The government must recognize this situation as probably the most serious problem facing this province today—the production of a stock of housing this province must be able to afford.

This budget makes it very clear that there has been no real change in the philosophy on the part of this government with respect to financial planning. There really

hasn't. It is little more than a near-fraudulent attempt to confuse people about the true situation which is that at some time in the future taxpayers will have to bear the full cost of present benefits and this government's irresponsible, unplanned spending.

Typical of the Treasurer's twisted priorities is the fact that while seven per cent—seven cents of every tax dollar—is spent on social services, a similar amount of seven cents is being spent on servicing the net provincial debt. That's something that's worth looking at.

Mr. Bullbrook: What a legacy you leave the next generation.

Mr. Sweeney: As much in debt as in social services.

Mr. Shore: By locking the province into the present level of debt service and future levels of amortization, the government has certainly limited options as far as new spending initiatives are concerned. Next year the borrowing load is almost bound to increase.

As for the government leading the way in exercising spending restraint, there is a strong move all over the country toward fiscal conservatism. The government has given no indication that it has any firm intention of making sure that this estimated \$1.2 billion deficit will be an absolute maximum in view of the inflationary trends. Keep in mind it is also counting on \$2 billion more revenue to arrive at this holding point. I'd love to agree with it.

I ask this question: Will this government guarantee to this House that before it comes back for supplementary estimates it will come to us and say: "We are going over the budget. We want to discuss this matter with you in this open Legislature." To me that's the way these things should be done. Otherwise, the government must hold itself to the \$1.2 billion the same as the municipalities and the same as the boards have to do.

Economists agree that while it is all very well to use deficit budgeting to get ourselves out of a recession or to generate productivity, to use deficit financing to foster continuous spending beyond one's means is the way to fiscal disaster.

Mr. S. Smith: That's right. Buying votes it is called.

Mr. Shore: I submit and venture to suggest to the Treasurer that if he had run his hardware business back home in Chatham along similar lines—I'm sure he doesn't—he would have been bankrupt long ago. I submit that.

Mr. Peterson: He has. He went into the land business.

Mr. Shore: With respect to the government's present budget, no one is going to argue with the vital necessity of exercising financial restraint. The tragedy of this whole business is that the government of Ontario knew all the facts last year and nothing has really changed since that time. Yet during the election campaign the government made no mention of the necessity to raise taxes and so on; quite the reverse.

[4:15]

Possibly if one were to examine the new budget in isolation without taking into consideration past events, one might form the opinion that this is a government struggling valiantly to bring some order out of the financial chaos caused by the irresponsibility of former administrations. One might be tempted to describe the budget as a recovery budget. However, in view of the fact that the Treasurer and his colleagues are largely responsible for the overspending which has led to the province's present financial situation, one cannot really commend them for attempting to straighten out the very problems which they themselves have created, even if one had any faith in this budget's ability to bring about a substantial improvement.

Over the years, the provincial government has followed a bizarre financial policy of solving its problems by increasing its spending. The budget statement is preoccupied with measures which are ostensibly aimed at restraining expenditures, but it merely gives details of the administration of existing programmes. Clearly there is a total unawareness on the part of the government of the need for a fundamental readjustment of the basis and content of existing programmes in line with the assessment made by their own special programme review committee, which also provided recommendations and suggestions which the Treasurer has chosen to ignore except where it suits his purposes to act upon them.

What needs to be appreciated, but evidently is not realized yet by this Treasurer and his colleagues, is the concern of people regarding growth in government—not only the size of government, but the intrusion of government into the affairs of people. The concern is that a whole apparatus of spending administration has been created, the rationale for whose existence has been overtaken by a desire for self-preservation on the part of those involved in it. It is out of the control of the public. It is apparently out of control of those administering it, and it is evidently

out of control of the public's elected representatives who are supposed to be acting on the public's behalf.

Public concern about the extent of government is not to be allayed by playing around with relative priorities in numbers or salaries in the public service. Incidentally, I still have not seen the actual number of people on this payroll. It will only be allayed if there is evident recognition of the need for thoroughgoing re-examination of the purpose and the most effective manner of discharging the public responsibilities undertaken on behalf of the people.

The thrust of the special programme review was directed at precisely this broader type of question. The members of the review committee were addressing themselves to questions regarding the proper function of public expenditures, whether current levels of expenditure were warranted and whether the same results could not be achieved in alternative and better ways.

In my opinion, one of the best methods of judging a business is by its record. I believe that one of the best ways to judge a government is also by its record.

Make no mistake, I think Ontario is a great place to live, but in many respects this province has remained great in spite of the activities of successive Conservative governments, rather than because of them. What I find incredible is that any government could have made such a hash of the finances of a province as wealthy as Ontario.

For a very long time, we have prided ourselves on being financially secure compared with our sister provinces. Now Alberta and Saskatchewan are in a better budgetary position than Ontario. Nothing has changed as far as our resources are concerned, although the Treasurer will doubtless attempt to cite the other provinces' oil and gas resources as an explanation of their increased prosperity. All that has really happened is that all these years have had their effect on us. No one, no individual, no government can continue spending money like it's going out of style without being called to account eventually.

Doubtless some members of this House will in their contributions to the budget debate congratulate the Treasurer on his budget. I cannot in all conscience bring myself to do this with great authority or great enthusiasm, for I cannot condone the deliberate attempt to twist the financial facts to suit political purposes. The budget is truly a remarkable collection of hypocrisy and hypothesis. I have no doubt that as we continue

to examine it in more detail during the budget discussions and during debate on the various estimates, we shall discover many half-truths, many instances of misdirection and many adjustments in the basis of calculation.

I hoped to be able to congratulate the Treasurer on at least making a sincere attempt to come to grips with the problems of inflation, but he has done very little. According to the Treasurer and his colleagues, they have been doing a great job. The problems we are experiencing are the fault of Ottawa, the fault of the municipalities, extravagance, of increased demands from the people of Ontario for more better services and I would just like to comment on that.

We have here a speech made by the Minister of Government Services (Mrs. Scrivener) and I read this to you, Mr. Speaker:

The public is partly to blame for all these provincial budgets or deficits that have been too large and taxes that are too high. [This is what she said] When the public demands a new service, a sensible government provides it or is replaced by a government that will.

Mr. S. Smith: Bribery.

Mr. Shore: Now, I say to you, Mr. Speaker, and in relation to that speech, through you I would like to ask the minister, who were the people who forced regional government in the Hamilton area, in the Niagara area and in the Waterloo area? I'm not suggesting for a moment that they do not have some benefits, but who were the people who forced that, as she suggests?

I ask her also, who were the people who forced the opening across this province of all the universities, the colleges and the hospitals, and many schools, some of which she is now closing?

Mr. S. Smith: Government largesse.

Mr. Shore: Who were the people who forced the communities to close small hospitals? That's what she is referring to in there. That's an irresponsible statement, I submit. If one were to believe the government spokesmen, everyone is out of step except the Treasurer.

The Treasurer concludes his remarks in the budget statement with the following words—I quote:

My budget statement is a declaration of confidence. Confidence in the dynamic economy of this province of opportunity. Confidence in Ontario's workers, farmers,

enterprises and institutions. And confidence in the solid record of achievement of this government.

I share the Treasurer's confidence in the people and the province. The record of achievement of this government is, however, another matter entirely—a matter in which I find cause for real concern.

Despite our disappointment in this budget, I would just like to make a few comments on what the Premier of this province (Mr. Davis) stated in his Throne debate address. He several times stated, and I quote: "A minority Legislature could have worked in this province." This was when we were talking about the debate matters. He wanted a minority government to work. And he goes on to say, "and I can live with my conscience because I know I want this minority government to work." Then he goes on further to say he wants it to be given a chance to work.

Throughout these criticisms that I've made and despite there being strong criticisms, we are going to keep open our option to make an amendment in this debate. However, we believe strongly, and very strongly, that we should at least let the government have the opportunity to see if the Premier truly means what he says, that he wants this government to work. We are going to leave our options open as to whether it will.

Just to conclude, I am reminded of one little statement I would like to go on record. A man endangered his own life to rescue a small boy from drowning. The boy said, "Thank you, sir, for saving me." The man replied, "That's all right son, just be sure you're worth saving." And we're going to keep our options open to see if it is worth saving.

Hon. Mr. Meen moved the adjournment of the debate.

Motion agreed to.

Clerk of the House: The second order, House in committee of the whole.

RETAIL SALES TAX AMENDMENT ACT

House in committee on Bill 46, An Act to amend the Retail Sales Tax Act.

On section 1:

Mr. Chairman: On Bill 46, the minister has introduced an amendment to section 1, subsections 1 and 2.

Mr. Edighoffer: Mr. Chairman, I don't know whether it relates to this or not; however while adjourned I took the opportunity

to review these amendments, I see that what was contained in the first amendment relating to furniture and appliances has now been moved back to another amendment. I just wanted to get it on record, though, and ask the minister how far this would take items eligible for exemption? Would it mean such items as the stove and the fridge and the dishwasher, if they are attached, are exempt or not?

Hon. Mr. Meen: I believe that in this arrangement, with the mobile home that you are speaking of, if they are firmly affixed, they are part of the mobile home. If they are installed at the factory and part of the entire unit, then they are part of it and the price is based on that total. It's when things are not fully affixed within it, if you were buying it complete with kettles and other things of a strictly personalty nature, that is the sort of thing that would not be included in the discount and the total price would have to be calculated—let me put it another way, the tax would have to be calculated before the value of those items was added in.

There is a second amendment to the same section 1, Mr. Chairman.

Mr. Chairman: Just one moment then. Shall the amendment to section 1, subsections 1 and 2, carry?

Motion agreed to.

Hon. Mr. Meen: The further amendment is at the end there are six subsections in section 1 as amended now.

Mr. Chairman: Hon. Mr. Meen moves that section 1 be further amended by adding the following subsection:

7. That the said section 1 is further amended by adding thereto the following paragraph:

17(a) taxable value means: (a) In the case of a mobile home one-half of the sale price thereof is charged to the person acquiring a mobile home as a residence if such price is determined by including therein all charges for delivery of the mobile home in accordance with the terms of such sale; by excluding therefrom the retail sales prices of any furniture or appliance that is not permanently attached to and part of the interior structure of the mobile home; and by excluding therefrom any charges for the installation or connection of the mobile home on the site to which it is delivered; or (b), in the case of a modular home, an amount equal to 55 per cent of the sale price of such modular home on the sale thereof by its

manufacturer to a builder; or where the manufacturer is the consumer of such modular home, 55 per cent of the sale price normally charged by the manufacturer on the sale thereof to a builder, but such taxable value applies only with the first retail sale of a mobile home or a modular home after April 6, 1976.

Motion agreed to.

Section 1, as amended, agreed to.

Mr. Chairman: The minister has a further amendment to section 3, subsection 4. Anything in the bill prior to that section? If not, the hon. minister.

Section 2 agreed to.

On section 3:

Mr. Chairman: Hon. Mr. Meen moves that subsection 4 of section 3 of the bill be deleted and that sections 5 to 8 be renumbered respectively as 4 to 8.

Shall the amendment carry?

Mr. Good: Wait a minute, what does it mean?

Hon. Mr. Meen: I had explained at the beginning, that is the newspaper section, Mr. Chairman.

Motion agreed to.

Mr. Chairman: The minister has a further amendment to section 13. Is there anything prior to section 13 of the bill? The hon. member for Perth.

[4:30]

Mr. Edighoffer: I haven't an amendment or anything, I just wondered, for clarification, why the word "Canadian" was taken out of sub. 6 of section 3? What's the purpose of that change regarding postage stamps?

Hon. Mr. Meen: Mr. Chairman, the intention here is to apply a tax to any uncanceled postage stamps. Various philatelic organizations arrange for sales of stamps, and some countries arrange for special issues of stamps and their sale, cancelled or uncanceled—and particularly uncanceled—is what we are talking about here; their sale in various countries. They can't be used in this country; they can't be used for the purpose of the delivery or the payment for the delivery of mail. They can only be used in the sense of their sales.

Since this is a mutuality that's extended in other jurisdictions, we are removing the tax on the sale of any uncanceled stamp by any country if it's sold at face value. Now, if it is sold above that, then tax applies.

Mr. Chairman: Any other comment on any other section of the bill, up to section 13? If not the hon. minister has an amendment.

Section 3, as amended, agreed to.

Sections 4 to 12, inclusive, agreed to.

On section 13:

Mr. Chairman: Hon. Mr. Meen moves that subsection 1 of section 13 of the bill be amended by deleting "nine" at the beginning of the third line and substituting therefor the number "eight"; and that subsection 3 of section 13 of the bill be amended by deleting "nine" in the second line and substituting therefor the number "eight".

Motion agreed to.

Section 13, as amended, agreed to.

Bill 46, as amended, reported.

Hon. Mr. Meen moved that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with certain amendments and asks for leave to sit again.

Report agreed to.

THIRD READING

The following bill was given third reading upon motion:

Bill 46, An Act to amend the Retail Sales Tax Act.

ONTARIO LOAN ACT

Hon. Mr. McKeough moved second reading of Bill 43, An Act to authorize the raising of money on the credit of the Consolidated Revenue Fund.

Mr. Speaker: The hon. minister wishes to comment.

Hon. Mr. McKeough: Mr. Speaker, it might help if I gave you some brief notes on this bill. It always causes a little bit of confusion, because it doesn't really authorize all our borrowings. Some of the borrowing is covered in separate statutes.

Basically, this particular bill covers our borrowings from the Canada Pension Plan and from Central Mortgage. The borrowing from the Teachers' Superannuation Fund and

from OMERS is under separate legislation; as are, of course, the borrowings by and for Ontario Hydro. Basically, this boils down to our borrowings from the Canada Pension Plan and any public market borrowings including the short-term Treasury bill programme.

We expect to borrow from the Canada Pension Plan about \$850 million and about \$34 million from Central Mortgage and Housing Corp.—this is during this fiscal year—whereas the bill authorizes borrowings of up to \$1.2 billion. Members will recall, I think, that the bill carries forward, it doesn't just apply to this fiscal year; the authority is there until we borrow to the limit. I think we will reach the limit of the previous bill, as I recall, about May, and this particular bill for \$1.2 billion would carry us through for borrowings from the Canada Pension Plan and from Central Mortgage until the middle of the summer of 1977.

Members may wonder why we have drafted a bill which essentially would carry us for 15 months rather than perhaps 12. We like to have some leeway, particularly under present circumstances. One of our quandaries—and it wasn't all that serious—was that had certain events taken place on April 5, we would not have had authority until the House met again. We'd have run out sometime this month and we would not have had authority to borrow money from the Canada Pension Plan. We borrow money from the Canada Pension Plan, obviously, at a favourable rate, the federal rate slightly adjusted.

By the time the House met again after an election, it probably would have been June, I suppose, at the earliest, we would have lost a couple of months of preferred interest on Canada Pension Plan borrowings. We would have had to borrow elsewhere on short-term, which is expensive. I've forgotten what the figure was but I think it was several thousand dollars a day.

It is not beyond the realm of possibility that we might be in the same circumstances a year from now. Hence the financial people drafted the bill so that at current rate of Canada Pension Plan borrowings this will cover us until about the summer of 1977.

The \$1.2 billion—this is my point—in this bill does not relate to the \$1.23 billion cash requirements which are in the budget. The two things don't coincide for various reasons which I've described.

Ms. Bryden: It would appear that the provincial Treasurer is second-guessing the date of the next election. I'm not sure what

happens if there is an election and the new House has not met by the summer of 1977 and there is no borrowing authority left. I would hope, even though the extra months are being asked for, that before the end of the fiscal year he would bring in a new bill next year, if the House is sitting at the time, so that we don't go in for this long-term authorization. But I'm prepared to go along with it at the moment.

I have a couple of questions. Is the borrowing from Central Mortgage and Housing used strictly for housing purposes or is it just another fund that we are able to get low-cost loans from? Secondly, has he any specific plans for using Treasury bills in this 15-month period since in the budget he did say that he was not going in for any public borrowing in this fiscal year?

Mr. Good: It is very interesting that the Treasurer has chosen this year—the first time in the nine years I've been here—really to confess utterly what the real implications of this particular bill are. We have had indications in other years and year by year we seem to gain a little more knowledge of what the real implications of this borrowing bill are.

As indicated by the Treasurer, permission for borrowing from OMERS, and the Teachers' Superannuation fund—also for Hydro—are contained in other statutes. No permission is needed in this bill to cover borrowing in those areas.

Leaving Hydro out, there is provision outside the terms of this bill to borrow, according to the budget, almost \$400 million. This bill is asking for permission to borrow another \$1.2 billion. As indicated by the Treasurer, only about \$850 million of that will be available from Canada Pension Plan. There will be about \$34 million from CMHC used for municipal sewer systems and waterworks, etc. Then, I understand, this authority will also allow the province to borrow the rest from the public money market.

We have really established here authority for borrowing about \$1.6 billion, which is somewhere between \$300 million and \$400 million more than the projected deficit. We are maybe a little critical of government policy in this regard. As mentioned by my colleague the member for London North (Mr. Shore) earlier in the year, the borrowing capacity of this province has seemed to stimulate expenditures. We do not agree there should be this large cushion in the borrowing capacity over and above the deficit as indicated in the budget.

I would like to know if this is an indication at this early date that the government intends to have supplementary estimates later in the year which could be covered by this additional borrowing capacity? We know it would lose the right to borrow from Canada Pension Plan if it does not exercise it when the money is available. The money then, according to the terms of Canada Pension Plan, can be used by the federal government, so this government must have this authority. The other question which I think is very pertinent is how much unused borrowing authority does the government have from previous years? I understand it can go back and pick up surpluses as far back as it cares to go as long as the statutes authorizing the borrowing have been passed. How much unused borrowing capacity is there from years gone by which has not been used?

The total borrowing capacity, as I said here, reaches almost \$1.6 billion. I don't agree that such a large cushion should be provided for. Why should the Treasurer be asking for authority to borrow beyond the 1976-1977 financial year which ends on March 31, 1977? There is no need to ask for borrowing capacity in the following fiscal year. That is simply asking for a cushion which will then allow the government to exceed its budgetary projections on the borrowing side, which will also mean it will exceed its budgetary projections on the spending side. We don't think this is good policy.

When we look right at the hard facts of the situation it is that when the government is borrowing from Canada Pension Plan it is borrowing from the people of Ontario. Their pension funds are being used at a somewhat lower rate. Granted, the Treasurer does have the problem of the matter of recall of that money by Canada Pension Plan. Who knows what would ever happen if the Canada Pension Plan suddenly decided that the Province of Ontario must repay the \$5.5 billion it has already borrowed.

I think this bill has a lot more importance to it than the Treasurer would like to indicate. As a matter of fact, included in the bill—I think it is a fit subject to discuss here—in section 2 it says: “The sums of moneys authorized to be raised by subsection 1 shall be in addition to those authorized under other statutes.” I am getting to the OMERS borrowing here.

I distinctly remember that the former Treasurer, John White—and I looked it up in Hansard; it was on Dec. 3, 1974—indicated that up to 20 per cent of the moneys

taken in annually by OMERS could be used for other than Province of Ontario debentures, that in fact that amount would be set by the OMERS board. When I questioned how he expected such a drastic increase in this OMERS borrowing from \$152 million of last year to \$180 million this year, in light of the fact that there is authority for 20 per cent of the OMERS borrowing to be used for other than Province of Ontario debentures, I was told that the province indeed set the figure and, I suppose, as much as told the OMERS board: “Look, we need \$180 million of your money. You can do with the rest what you like.” I suppose there is really no guarantee that there is going to be five, 10, 15 or 20 per cent in excess of the \$180 million, because we are talking here of an increase of some \$28 million over last year when in fact the province had authority to borrow all the OMERS money.

I would like to know how much is going to be left in the OMERS fund for the board to exercise the authority given by the Treasurer previously when he said that they could invest up to 20 per cent of their fund in other than Province of Ontario debentures. Did the Treasurer sweet-talk or coerce the OMERS board into saying: “Well, we won't do that this year; we will give you all our funds”? Or how much of their investment fund does that \$180 million really represent? I understand the Treasurer has already indicated amounts for other years which would be in excess of that.

All in all, I think two things are necessary. First of all I think we need a better explanation of why the Treasurer wants that big cushion of extra borrowings. Secondly, I think we should have an explanation of why he should expect to have borrowing capacity beyond the next fiscal year, because this is an annual request for borrowing capacity and I think the government's whole financing system is getting out of hand.

The Treasurer knows, as well as I do that the time is fast approaching when the interest on the government's Canada Pension Plan borrowing is going to meet the amount of the annual borrowing. That's not too far away. The government's cash flow from borrowing Canada Pension money will reduce to zero when everything it borrows will be required to pay the interest on it. This is almost unbelievable but this is the era that is fast approaching. The government is not getting much cash flow out of the Canada Pension Plan borrowing even now—only about 50 per cent, as was alluded to by the budget speaker earlier in the day.

I think this whole matter of borrowing is a very serious matter. I don't think the government should be asking for such a big cushion in its borrowing capacity, nor do I think it should be asking for a cushion beyond next year.

Mr. Speaker: Does any other hon. member wish to take part in this debate? The hon. minister.

Hon. Mr. McKeough: Mr. Speaker, replying to several questions, the member for Beaches-Woodbine (Ms. Bryden) asked about borrowing \$34 million from Central Mortgage and Housing Corp. I don't think any of that would be directly for housing. I would want to check this, but I am reasonably sure that is related to amounts for sewage treatment works or perhaps water works through the Ministry of the Environment. I don't think it's directly for housing. I think it would all be for sewage treatment works. I am not positive of that, but I think that's what it is.

The other question was with respect to treasury bills. We now have treasury bills outstanding of \$325 million, and I doubt that we would increase them. There is no need to. In fact, we will probably be giving some thought to running the amount down. We are rolling over now. We have reached the end on the present plateau and as they come due in the 90 days, we roll them over. As, I say, we are giving some thought to simply retiring them, not renewing them; and we may do that. We haven't made a determination on that.

Short-term rates fell rather dramatically in the last couple of weeks. The rate on the Treasury bills was over 10 per cent and is now down to 9½. Just what the trend is remains to be seen but—and this is part of the reason why the member calls it a cushion—we might well a month from now decide to work them down, retire them \$25 million a week, and then conditions might be such that we would want to build them back up again. We have to have that if the reborrowing by Treasury bills, say, starting three months from now—and this just being hypothetical—would constitute new borrowing. Hence the reason for the amount in the bill, the cushion as the member for Waterloo North (Mr. Good) has referred to it.

I stress again to the member for Waterloo North that there is no direct relationship between the budget figure and the amount in this bill. The member asked—

Mr. Good: Why the \$400 million cushion?

Hon. Mr. McKeough: I have just explained it, because it runs for a longer period. The member asked, first of all, how much was unused from previous bill—it's not previous bills, it's the previous bill, because you use up one bill before you start on the next bill—and in the previous bill there was enough to cover the April Canada Pension Plan borrowings of \$79 million, but it does not fully cover the May Canada Pension Plan borrowings. If we didn't have this piece of legislation, and had we then for some reason or another not been sitting, we would have lost that Canada Pension Plan money.

I think there is a possibility that we may be in the same position next spring, so even though we only anticipate borrowing from the Canada Pension Plan, I want to qualify that in a minute. At this moment we thought that it would be advisable to have it run out in the spring. I would expect, if we're not having an election a year from now we would be back asking for a new bill. We do like to keep some sort of an amount ahead to authorize borrowing for the contingency for whatever reason, when the House isn't sitting.

The member asked about OMERS, and I want to come back to one other point. I haven't got those figures back, I'll get them for the member, but the fact is that OMERS invested 20 per cent of their money last year in other than Ontario debentures. They earned less. Most of it, I understand—I haven't seen the breakdown, but I think most of it went into mortgages, some into stocks, some into other bonds. It must have run, I think, \$30 million or \$40 million.

The fact is they earned less on their investments with a very good investment committee than we are paying them. The enthusiasm is very much off, as far as the OMERS board is concerned, about putting their money into places other than the Province of Ontario debentures.

Mr. Good: Did they buy any municipal debentures?

Hon. Mr. McKeough: I think they bought some, but overall they earned from us—I think the figure was 10.02 per cent last year, I can't remember. At any rate, they didn't do quite so well on their own. Accordingly, they came to us and said "What's your attitude?" I said that certainly 20 per cent of this year and 20 per cent of next year. They weren't quite as enthused about that, and I can't give the member the precise figures, but they said "Let's work out a deal for three years."

We did work out a deal for three years—this year, next year and the year after—and we take a fixed amount and they will invest I think it's \$180 million this year and it will be \$190 million next year, I think; I've forgotten the precise figures. I'll get those for the member.

They are investing the surplus, which is more than 20 per cent. It must raise to 20 per cent or 25 per cent this year, more next year. They know, with much greater certainty, what they have to invest for the next two or three years, and they also know when they're going to get it.

They would like to be able—and I can't blame them—to invest in the market, say, when it suits them, and when it doesn't suit them turn the money over to us. We like to have some idea of when the money is coming in as well because we start paying interest from the moment it arrives at the long rate.

The answer to your question specifically is that the OMERS total expected this year is \$228.3 million, of which we will keep \$180 million—well, they will invest \$180 million—with us—and they will invest \$48.3 million.

On the final question—and a point that I do want to make—this bill would give us the authority to reinvest. We don't need that authority to run down treasury bills. Then if we decided to run them up again, if we needed the money, without running down the reserves, it also would authorize other public borrowing.

The words in my budget that we would not require any new public borrowing were chosen very carefully, and we are a long way from making any sort of a decision. If we maintain the treasury bills at the amount that they are—at the \$325 million—and the budget plan holds, which we would expect it to, we don't require any additional public borrowing.

If we ran the treasury bills down and then increased them, that in effect would be a public borrowing. But presumably we would do that to make money on the running down and getting it back on the going up. It may be that market conditions are such that we may convert some of the treasury bills—short-term borrowing—into longer-term bonds, but we haven't made a decision on that. We are not required to borrow, but we may decide to convert some of the treasury bills into longer terms. We are some distance away from making that decision.

The particular answer that I would give you as to why we have built in what you have called a cushion—and that isn't the worst

word in the world—is that it will carry us until the summer of 1977.

Mr. Good: It is exactly what you are doing.

Hon. Mr. McKeough: That's right; it will carry us to the summer of 1977.

Mr. Good: You have never done this before.

Hon. Mr. McKeough: We have always done that. We have always brought in a bill which presumably would carry us a month, two months, or three months beyond the end of the fiscal year.

Mr. Good: But \$400 million?

Hon. Mr. McKeough: The bill last year was for \$1.2 billion. I don't know whether it's in Hansard, but I didn't think that would run out until June or July. I would have told the House that had I been asked. As it turned out last year, we borrowed more than we originally anticipated. The fact is that the authority of the 1975 bill runs out in May.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall the bill be ordered for third reading?

Agreed.

THIRD READING

The following bill was given third reading upon motion:

Bill 43, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Snow moved second reading of Bill 25, An Act to amend the Highway Traffic Act.

Mr. Wildman: In general, we are in agreement with the principle of the bill. This is sort of an omnibus bill; it covers a lot of different matters.

Mr. Speaker: The minister has indicated that he would like to make a few points of clarification.

Hon. Mr. Snow: I thought it might just make it a little easier to do this, as I will be asking that this bill go to committee of the whole House. I believe there will be

three amendments to clauses that I will be introducing when we get the bill into committee.

One amendment will refer to the requirement for headlights on motorcycles. We will establish a date of manufacture for motorcycles and motorcycles manufactured after this date will be required to be operated with their headlights on. This is because some of the older motorcycles are not capable of continuous operation with their headlights on.

[5:00]

There is one other minor housekeeping amendment to section 10 that really refers only to a misprint in the bill. And there will be another amendment to section 12 of the bill which relates to the shipper's responsibility for overloading; it will limit the shipper's responsibility to total weight, not to axle weight. Because I feel it should be the responsibility of the carrier to see that the load is properly positioned on his truck so that it is properly distributed among the axles. I don't think the shipper who is shipping the load can be held responsible for the proper positioning of the load on the vehicle. So it will limit the shipper's responsibility to the total gross weight basically, rather than the positioning of the load.

I really don't know how one debates the principle of this bill, because there are so many principles in every clause of the bill.

Mr. Laughren: Like a Liberal bill.

Hon. Mr. Snow: It deals with farm vehicles, with licensing, with motorcycle beginner licences, with motorcycle lights, with clearance lights, with farm vehicles, with overloading, so—

Mr. Bullbrook: It also deals with a driver's suspension, and the minister might want to make a comment on that.

Hon. Mr. Snow: Yes, it does. That's one of the parts of the bill. I had hoped my colleague, the Attorney General (Mr. McMurtry), would have been here during this debate.

The driver suspension part relates to provisions that are now within the Criminal Code of Canada and are being deleted from the Criminal Code at the federal level. The Attorney General has recommended the amendments that are within this bill which, as I understand it, are almost identical to those provisions in the federal Act, and replace them.

Mr. Bullbrook: May I just make a comment, with the indulgence of the Chair? I think that is part of the bill that's going to generate some debate. I would be vitally interested that we don't go into committee on that aspect today. Had that been the minister's intention?

Hon. Mr. Snow: Mr. Speaker, as I mentioned, this one section of the bill that relates to the suspension of licences is really the recommendation—although it is included in my bill—of the Attorney General. I had asked that the Attorney General be in the chamber when this part of the bill was debated. Now, we can deal with second reading of the bill—although I would have been prepared to go on into committee. Even if we do go into committee, maybe we could leave that section until the Attorney General is here—perhaps the next day we are on bills—and could deal with that particular section, or leave it until he is here. I would be quite prepared to do that.

Mr. Speaker: I think we have the agreement of the House on that. The hon. member for Algoma.

Mr. Wildman: Thank you, Mr. Speaker. I appreciate the comments of the minister. I was going to say the only real common principle throughout the Act is that it is to increase safety on the highways. There are certainly so many different things in it that it is very difficult to talk about the principle.

I was going to question the minister regarding the suspension of licences for refusal to take a breathalyser test, but I'm glad that he will deal with that later.

I would like him to clarify for us the statement that he made that he was going to introduce an amendment regarding the date for motorcycles that will require them to use their headlights. Would that be prior to 1973? Because it is my understanding that with motorcycles manufactured prior to that date there is an electrical drain if they are required to have the headlights on all the time. I would like to know if that is correct, and if so, if that would be the date that he is considering.

In section 12 the minister mentioned regarding the responsibility of the consignor of loads for weight. I would appreciate if he could give us some clarification as to why he feels that the consignors should not have some responsibility on axle weight, that is, rather than just total weight and why the consignor should share responsibility with

the driver or operator when it's very difficult for operators to measure the weight on the axle, often because the required type of scale is not at the pit if it's an aggregate load or whatever. The weight on those axles cannot be measured because the scales are not available at the place where the load is loaded on the truck.

It would seem to us that if the consignor were made responsible for that it would be incumbent upon him to install those kinds of scales so that it would be possible to measure weight on the axles. We would go so far, unless the ministry can given reasons why we shouldn't, as to consider in committee moving an amendment to make the consignor responsible for that rather than leaving it as he has suggested.

I don't think we have any other comments to make at this time, since the minister is going to leave the section dealing with suspension of licences to a later time. I hope the minister can comment on those questions I have raised.

Mr. Bullbrook: I would just record on behalf of the Liberal Party in the absence of our critic—

Mr. Speaker: The hon. member for Essex North indicated that he wanted to say something.

Mr. Bullbrook: I didn't realize that.

Mr. Ruston: Mr. Speaker, there are a couple of things in here which would be of interest to me, and I am sure, to other people in the House. One of them is drawing up regulations for transporting farm vehicles on the highways. Of course, these come under regulations but they are of great interest to many of us because of the amount of farm machinery on the highways today and the necessity for it because of the larger amount of land and the many acres that farmers are cropping now and working in other areas. It is of some concern to us. Of course, the concern we have is that they will still be able to move this machinery from one farm to another without undue hardship. That would be one area I am concerned about.

Overloading—I brought up a few years ago—but not too many years ago—with regard to the consignor and I will be making some remarks on that particular item as well when we are in committee. Those are the only two areas I am concerned with and as the member for Sarnia stated he has some remarks on the other parts of it.

Mr. Bullbrook: The only remark that I wanted to make, in the absence of other

people intervening, is on the whole question of the treatment under the Criminal Code and under the Highway Traffic Act of the suspension of a driver's licence. I don't want our support in principle of this bill to be taken as tacit or otherwise consent with respect to the treatment. I, for one, recognize that both levels of government federally and provincially—are attempting to bring to the public attention the deep concern that governments and the public have with respect to impaired and other types of driving offences. Frankly, I do not feel that on so many occasions the amount of discretion to be exercised by the government itself rather than the courts is something which isn't always satisfactory to me and to my constituents from the experiences I have had as their member.

Those are the only remarks I would make at this time. I am sure we are going to have a very active debate.

Mr. Worton: Mr. Speaker, I would like to bring officially to the minister's attention a letter I had directed to him on April 12 in regard to correspondence I had with the Guelph school safety patrol, which expressed concern about section 17 as it applied to school crossing guards and the authority they were to receive either from the community, the council or the board of education.

Secondly, the patrol members wanted an assurance that this would not interfere with the operation of the schoolboy and girl patrols which they've have for some 25 years in our community. They wanted some assurance that this would be able to be maintained. I realize when the section comes up it would be the appropriate time, but I felt that if the minister can clear this now that will avoid us preparing an amendment.

Mr. Renwick: Mr. Speaker, I only want to speak briefly. I understand, from my colleague who has already spoken on the bill, the minister has indicated that on the whole question of the licences and suspension of licences for offences under the Criminal Code it would be preferred by the minister that the matter be dealt with in committee, and that perhaps his colleague the Attorney General (Mr. McMurtry) would be present at that time.

I simply wanted to draw to the attention of the House that the amendment to the Criminal Code providing for roadside testing in particular, as well as the question of the changes in the extent and degree of the punishment to be meted out with respect to

suspensions of licences, was passed by the Parliament of Canada last year, and that the section dealing with roadside testing comes into force on a date to be proclaimed in this province, presumably by the federal government, but undoubtedly with the consent of the Attorney General of Ontario.

I just wanted to make certain that at the first opportunity we had an opportunity to debate with the government what its intentions are about bringing that particular section, 234.1 of the Criminal Code, into force in Ontario, because the amendment to the Highway Traffic Act which is before us incorporates the cross reference to that section in this bill. We on this side have been awaiting for some time a statement by the government following upon the submission by the Attorney General of the committee's report about roadside testing, and the examination that was made by that committee of the results of such legislation in other jurisdictions.

I think that is the principal comment. There are a number of other matters, of course, which we will want to deal with in committee, more by way of explanation than otherwise. I did want to comment, because of my concern about roadside testing and the extension, if I may say so, of police powers involved in it, without getting involved in any suggestion that it is of anywhere near the same qualitative significance as other very real and valid civil liberties legislation. I think we are all concerned about the extent and degree and the way in which the police power will be detailed, if and when the roadside testing section of the Criminal Code is declared to be in force, with the consequences which will then flow from the declaration or proclamation by reason of the amendments which we are making to the Highway Traffic Act.

Mr. G. I. Miller: Mr. Speaker, I would like to ask, maybe for clarification purposes if for no other reason, in that section 10 of the Act which is affecting farm machinery, it is the intent of the bill that one cannot travel on the highway without the same provision as before, which was, I believe, that a permit had to be issued for taking a wide load? Or does it mean that we'll have to have a follow truck or some type of lead to identify the equipment being moved down the road? Maybe the minister could clarify this point, because it could create considerable extra cost to the farming industry under these conditions, and although I do realize that they do need protection, the motorist generally

needs protection. I was just wondering if the minister would like to clarify that.

Hon. Mr. Snow: Mr. Speaker: I'll try to reply to the comments that have been made, with the exception of the comments from the member for Sarnia (Mr. Bullbrook) and the member for Riverdale (Mr. Renwick) dealing with the suspension parts of the bill. As I mentioned before, they will be dealt with by the Attorney General (Mr. McMurtry), who will be present when we deal with those sections—I believe they are sections 3 and 4—of the bill in committee.

Regarding the question of the hon. member for Algoma (Mr. Wildman) about the date for the motorcycle headlights, I don't know whether any specific date can be established or if we can find any particularly good reason for picking any specific date. The date I have in mind is Jan. 1, 1970.

Mr. Breithaupt: Do you mean 1977?

Hon. Mr. Snow: People in the industry familiar with motorcycles—I only drove a motorcycle once in my life and that was a rather sad experience, so I don't pretend to be an expert.

Mr. Wildman: Did you say 1970?

Hon. Mr. Snow: Jan. 1, 1970, is a date that I would like to suggest.

Mr. Breithaupt: You said 1970.

Hon. Mr. Snow: I said any motorcycle manufactured since Jan. 1, 1970.

Mr. Worton: Pardon us.

Hon. Mr. Snow: As regards the older motorcycles, I've had discussions and meetings with representatives of the antique motorcycle association. Certainly many of their vehicles, although they still like to drive them on the road and up until now it has been quite legal to drive them on the roads providing they're mechanically fit, they haven't got a good enough electrical system to have constant headlights.

In other jurisdictions, there are several states in the United States that have had this legislation for a number of years. The Province of Quebec, I am told by my staff, has this legislation in force now and there are no exemptions; it just says every motorcycle shall have its headlights on. How they're dealing with this particular problem of the older motorcycles, I don't know, but I think enough goods points have been made to me by representatives of the industry that

I feel it would be fair and reasonable to pick a date. Actually, Jan. 1, 1975, has been suggested because according to the federal Motor Vehicle Safety Act, any motorcycle manufactured since Jan. 1, 1975, can't be run without the lights on, since the light comes on automatically when you turn the key on and put the motorcycle in gear.

From a safety standpoint, I would like to cover more than just those brand-new motorcycles manufactured since 1975. That's why I'm suggesting Jan. 1, 1970, unless some hon. member has a great exception to that. To the best of my knowledge, as a result of discussing it with the industry and my staff investigating it, they don't feel there will be any hardship on anyone with that date and we'll have a much safer system.

I believe the member for Algoma (Mr. Wildman) was suggesting that he would like to take the total responsibility for overloading off the carrier and put it all on the shipper. If that is what he was suggesting, I'm afraid we're at opposite ends of this particular discussion because I don't feel that the carrier, who has always been totally responsible for the weight of his vehicle, should be relieved of the liability. But we do believe that there's good evidence that there should be some responsibility on the shipper, and of course this can only apply where the shipper is shipping a full load. Obviously it can't apply to general freight, where the truck may pick up from 20 different shippers and therefore no shipper could be responsible for the weight of that load. I think the industry people I've talked to agree with this approach.

In most quarries dealing with aggregates, which are all sold on a weight basis—not all, but certainly 99 per cent, I would say—the vehicle is weighed before it leaves the yard, and if the shipper knows the vehicle is overloaded, then with this responsibility he will not let the vehicle leave. Also, shippers—I am not suggesting that this would be a normal case, but a shipper may have a crate of machinery to ship and there is no way of knowing what that box weighs. They may phone up a trucking company and say, "I have a crate of machinery here that weighs 24,000 pounds. Send me a truck that will carry it." The truck that is licensed to carry 24,000 pounds may arrive; the box may weigh 30,000 pounds. The trucker has no way of knowing until he hits the scales on the highway and, knowingly, the shipper may have underestimated the weight of that box to save himself a few dollars in freight charges. So we think, under that type of

circumstances, that it is reasonable to make the shipper responsible.

The member for Essex North mentioned the farm vehicle regulations and also the member for Haldimand-Norfolk—

Mr. Wildman: Would the minister permit a question on that point?

Hon. Mr. Snow: Perhaps we can get to the question when get to clause by clause.

Mr. Wildman: Okay, fine.

Hon. Mr. Snow: The member for Haldimand-Norfolk also mentioned the farm machinery. This legislation has been requested by the Ontario Federation of Agriculture. It has been discussed with them. As a matter of fact, I think today's brief presented to the cabinet is the first one I have seen for a number of years that didn't have something in the brief pertaining to this particular subject.

This legislation removes the necessity of farmers to have permits for the moving of their vehicles, and it allows for regulations to be prescribed that will set the guidelines and the requirements for the moving of farm equipment on the highways.

These regulations are in draft form now. They have been set or will be sent to my colleague the Minister of Agriculture and Food for investigation and consultation with the Ontario Federation of Agriculture or, in fact, any other agricultural organization which may wish to see them. The federation has been very interested. They have, I believe, seen the draft regulations, and although we have not got the final regulation ready yet it will be discussed thoroughly with the federation and, as I say, if any other organizations **show an interest we would be quite happy to discuss it with them also, before this section is proclaimed and the regulation is passed.**

Regarding the other item, my good friend the member for Wellington South spoke to me on this earlier. I know of his concern regarding the school crossing guards. I think this amendment is specifically drafted to allow or give a "stop" sign—providing the sign is of a prescribed size and colour; in other words, a recognizable "stop" sign, carried by a school crossing guard—the same legal entity as if it were a normal "Stop" sign implanted on the shoulder of the highway.

We state in the legislation that a school crossing guard—I forget the exact wording—is employed or authorized by a municipality or a board of education. Originally we had this just "employed", but we find cases where

school crossing guards are volunteers, so they would not be employed but they would be authorized.

We also find situations where some school boards authorize their schoolboy or school-girl patrols actually to stop the traffic. We don't recommend this. We are very much in favour of the school patrols, but normally the duties of the schoolboy patrol are to watch for the traffic, control the younger children, wait for an appropriate break in the traffic and then let them go across. Even though they may be more qualified or better able to cope with the situation than maybe some of the older people who are school crossing guards, we don't encourage school boards to have their schoolboy patrols actually out on the street to stop the traffic. On the other hand, if a board has senior students it felt were capable of doing this, then this would cover those students. It certainly does nothing to eliminate the very excellent policy that many boards of education have of having the school patrol.

Those are the points that were brought up by the hon. members and I think I have answered them all.

Motion agreed to; second reading of the bill.

Mr. Speaker: It is the understanding that this bill will go to committee of the whole.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that, in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 1, An Act to amend the Arbitrations Act.

Bill 3, An Act to amend the Representation Act, 1975.

Bill 5, An Act respecting Members of Commodity Boards.

Bill 6, An Act to amend the Drainage Act, 1975.

Bill 7, An Act to amend the Territorial Division Act.

Bill 8, An Act to amend the Local Improvement Act.

Bill 10, An Act to amend the Gift Tax Act, 1972.

Bill 11, An Act to amend the Income Tax Act.

Bill 12, An Act to repeal the Emergency Measures Act.

Bill 13, An Act to provide for Certain Rights for Blind Persons.

Bill 14, An Act to amend the County Judges Act.

Bill 15, An Act to amend the Judicature Act.

Bill 16, An Act to amend the Evidence Act.

Bill 17, An Act to amend the Surrogate Courts Act.

Bill 18, An Act to amend the Public Authorities Protection Act.

Bill 26, An Act to amend the Succession Duty Act.

Bill 34, An Act to amend the Ontario Energy Board Act.

Bill 39, An Act to amend the Public Commercial Vehicles Act.

Bill 46, An Act to amend the Retail Sales Tax Act.

Bill 48, An Act to amend the Tobacco Tax Act.

Bill 51, An Act respecting the Central Algoma Board of Education and Teachers Dispute.

Bill 52, An Act respecting the Sault Ste. Marie Board of Education and Teachers Dispute.

Hon. Mr. Welch: Mr. Speaker, perhaps we might clear the private bills that stand on the order paper to tidy up the order paper before the recess, if we could call orders 12 to 18.

TOWNSHIP OF WICKSTEED ACT

Mr. Wildman moved second reading of Bill Pr2, An Act respecting the Township of Wicksteed.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr2, An Act respecting the Township of Wicksteed.

BOROUGH OF SCARBOROUGH ACT

Mr. Renwick, on behalf of Mr. Drea, moved second reading of Bill Pr3, An Act respecting the Borough of Scarborough.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr3, An Act respecting the Borough of Scarborough.

TOWNSHIP OF NEPEAN ACT

Mr. Renwick, on behalf of Mr. Morrow, moved second reading of Bill Pr4, An Act respecting the Township of Nepean.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr4, An Act respecting the Township of Nepean.

McMASTER UNIVERSITY ACT

Mr. Breithaupt, on behalf of Mr. Nixon, moved second reading of Bill Pr7, An Act respecting McMaster University.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr7, An Act respecting McMaster University.

[5:30]

BOROUGH OF YORK ACT

Mr. Laughren, on behalf of Mr. MacDonald, moved second reading of Bill Pr8, An Act respecting the Borough of York.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr8, An Act respecting the Borough of York.

ST. ANDREW'S CHURCH, OTTAWA, ACT

Mr. Hodgson, on behalf of Mr. Morrow, moved second reading of Bill Pr10, An Act respecting St. Andrew's Church, Ottawa.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr10, An Act respecting St. Andrew's Church, Ottawa.

WELLAND AREA YMCA-YWCA ACT

Mr. Foulds, on behalf of Mr. Swart, moved second reading of Bill Pr22, An Act respecting Welland Area YMCA-YWCA.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr22, An Act respecting Welland Area YMCA-YWCA.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment of the House in this pre-Easter spirit, I thought we might add a little more time; we've worked hard today. I would indicate what our order of business would be for the week beginning April 20, when we return after the Easter recess. The House will not sit, of course, on Monday.

On Tuesday in the afternoon we will do the remaining legislation which stands on the order paper and in that order. Perhaps we could start with this bill we've just completed second reading on, in committee stage. In the evening we have budget debate. The committees, of course, meet on Wednesday and there's no House on Wednesday. On Thursday, we take into consideration the estimates of the Ministry of Revenue and the House will sit Thursday evening as well. On Friday morning we'll have budget debate.

Estimates outside the House: On Friday morning the standing committee on the administration of justice will take into consideration the estimates of the Ombudsman. On, I guess, Thursday evening the miscellaneous estimates committee will take into consideration the estimates of the assembly.

Mr. Breithaupt: I thought those matters were to be put over until the beginning of the following week?

Hon. Mr. Welch: No, the only one which has been put over is Housing because housing won't be tabled. But these other two will be tabled in time for the committees. If by any chance the estimates of the Provincial Secretary for Resources Development (Mr. Irvine) were tabled on Thursday, as we had first thought, that standing committee

could take the Housing estimates into consideration on Friday morning. But there is some concern as to whether that would be ready.

Mr. Breithaupt: It may be somewhat more practical to deal with those estimates separately, beginning in the following week, in that the resources development committee may wish to proceed and complete the bills which were referred to it.

Hon. Mr. Welch: I will be speaking to the House leaders about that. There is apparently some question as to how we might handle that legislation in a different way. Are there any questions in connection with the order of business next week?

Mr. B. Newman: In case the government decides to introduce a bill putting the students back in the classes on Tuesday, will that interfere with the normal proceedings of the House then?

Hon. Mr. Welch: Of course, Tuesday afternoon is legislation day.

Mr. Speaker: I'd like to join with the House leader in wishing everybody a happy Easter.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 5:35 p.m.

APPENDIX
(See page 1415)

An answer to a question was tabled as follows:

25. Mr. Angus—Inquiry of the ministry:

Would the Minister of Industry and Tourism advise the names and addresses and products sold of all firms from northern Ontario who have participated in trade missions sponsored by his ministry?

Answer by the Minister of Industry and Tourism:

NORTHWESTERN ONTARIO REGION

Municipality	Company	Products —
Dryden	Alex Wilson Publications (Div. of Cold-stream Paper Products)	Indian prints, Canadian calendars, hasty-notes
Kakabeka Falls	Kakabeka Timber Ltd.	Lumber, lathes, fencing, dowels, handles
Kenora	Woodale Lumber Products	Rustic furniture
Nipigon	Multiply Plywood Ltd. Northern Plywood Ltd. (above companies now owned by MacMillan Bloedel)	Plywood Plywood
Thunder Bay	Canadian Car Fort William (Div. of Hawker Siddeley Canada Ltd.) *Errol Design and Manufacturing Ltd. *Go Power Leisure Products Great Lakes Paper Co. Great West Timber Co. Hinsbergers Harness & Tent Co. Ltd. (moved to BC) *Precision Wood Cutting Port Arthur Shipbuilding Rosslyn Brick and Supplies (now Thunder Bay Brick Ltd.) Unitized Manufacturing Ltd. Thompson, Heyland Lumber Ltd. Norcan Sportspal Enterprises Earlton Manufacturing Co. Ltd.	Rolling stock, heavy equipment Wrought iron and glass tables, interior decor items Mini-bikes Newsprint, kraft paper Dressed lumber Canvas products, tarpaulins, tents, mattress pads, folding cots, sleeping bags, boat covers Stakes, pallet material Ships, pulp and paper machinery Burnt clay brick Cedar log buildings Edge-glued birch dimension Light aluminum canoes Lightweight fibreglass insulated recreation trailers Urethane products for the mining industry Poplar plywood Tuyere punchers, diamond drilling equipment, mining supplies
Burks Falls		
Callander		
Earlton		
Elliot Lake	Elliott Rubber and Plastic Ltd.	Long strip printing Furniture manufacture KD wall units, study desks, bedroom units
Hearst	Levesque Plywood Ltd.	Cataract 700 pump Camping equipment Diamond core drills and equipment
Kirkland Lake	Heath and Sherwood Ltd.	Carbide tipped drilling bits
McKellar	Stroud, Bridgman Press Ltd.	
New Liskeard	Three H Manufacturing Ltd.	
North Bay	*A. J. Manufacturing Arctic Canvas Ltd. Canadian Longyear Ltd. Craig Bit Co. Ltd.	

Municipality	Company	Products —
North Bay (cont'd)	Inspiration Ltd. (Company on mission was Boyles Industries Ltd. part of Inspiration Group, now part of Dresser Industrial Products Ltd. still in operation)	Mining equipment and services
	McCallan and Associates	Nurses' caps
	Truco Canada Ltd.	Diamond bits and drills
	R. J. Minogue and Co. Ltd. (Truco and Minogue were taken over by Drillsystems Inc., North Bay, who are still exporting products)	Diamond bits
	Jarvis Clark	
	J. S. Redpath Ltd.	Trackless mining equipment, low hand dumpers
	*Donbay Industries Ltd.	Mining contractors, mine development
	Drill Systems Inc. (participated on mission through parent company, Upper Canada Resources, Toronto)	Prefinished hardwood, parquet flooring for application by do it yourself
	Canadian Longyear Ltd.	Diamond bits and drills
	Canadian Morbark Ltd.	Diamond core drilling equipment
Parry Sound	Shaw Almex Industries	Unit saw mill, presaw unit, automatic saw carriage, forestry equipment
River Valley	Four Seasons Chalet Ltd.	Conveyor belt vulcanizers, industrial presses
	Industrial Garnet Co. Ltd.	Pre-cut log homes and cottages
Sault Ste. Marie Sudbury Timmins	Fleron Lumber Co. Ltd.	Crushed ornamental stone, abrasives, quartz
	*Rockiron Co. Ltd.	Hardwood
	Timmins Trailers Ltd.	Mine arches and rocks
	Hedman Mines Ltd.	Forest harvester
		Cationic fibre (serpentine industrial filler)
	Timmins Auto Springs Ltd.	Forest harvester

Note: * Company is no longer in business.

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Bain, R. (Timiskaming NDP)
Breithaupt, J. R. (Kitchener L)
Bryden, M. (Beaches-Woodbine NDP)
Bullbrook, J. E. (Sarnia L)
Campbell, M. (St. George L)
Cassidy, M. (Ottawa Centre NDP)
Conway, S. (Renfrew North L)
Cunningham E. (Wentworth North L)
Davidson, M. (Cambridge NDP)
Davison, M. (Hamilton Centre NDP)
Deans, I. (Wentworth NDP)
Eakins, J. (Victoria-Haliburton L)
Edighoffer, H. (Perth L)
Foulds, J. F. (Port Arthur NDP)
Gaunt, M. (Huron-Bruce L)
Germa, M. C. (Sudbury NDP)
Gigantes, E. (Carleton East NDP)
Godfrey, C. (Durham West NDP)
Good, E. R. (Waterloo North L)
Haggerty, R. (Erie L)
Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
MacBeth, Hon. J. P.; Provincial Secretary for Justice and Solicitor General (Humber PC)
MacDonald, D. C. (York South NDP)
Makarchuk, M. (Brantford NDP)
Mancini, R. (Essex South L)
McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs (Chatham-Kent PC)
Meen, Hon. A. K.; Minister of Revenue (York East PC)
Miller, G. I. (Haldimand-Norfolk L)
Moffatt, D. (Durham East NDP)
Newman, B. (Windsor-Walkerville L)
Newman, Hon. W.; Minister of Agriculture and Food (Durham North PC)
Peterson, D. (London Centre L)
Renwick, J. A. (Riverdale NDP)
Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
Riddell, J. (Huron-Middlesex L)
Roy, A. J. (Ottawa East L)
Ruston, R. F. (Essex North L)
Sandeman, G. (Peterborough NDP)
Shore, M. (London North L)
Singer, V. M. (Wilson Heights L)
Smith, Hon. J. R.; Minister of Correctional Services (Hamilton Mountain PC)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
Swart, M. (Welland NDP)
Sweeney, J. (Kitchener-Wilmot L)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Wildman, B. (Algoma NDP)
Worton, H. (Wellington South L)
Yakabuski, P. J. (Renfrew South PC)

Ontario. Legislative Assembly

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Third Session of the 30th Parliament

Tuesday, April 20, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 20, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

SELECT COMMITTEE ON PCV ACT

Hon. Mr. Snow: Various members of the general public, the Legislature, the highway transport industry, the shipping public and the news media have raised many questions over the operation of the public commercial vehicles system, specifically as such operations concern the Public Commercial Vehicles Act. No satisfactory overall response has been developed or offered to address the criticisms which have been directed at the system.

As the members are aware, Bill 4 was an Act to amend the PCV Act and intended to focus on certain specific problems in this area. This bill was introduced on March 10. The Legislature has referred the bill to the standing committee on resources development.

Since that time, I have recommended to cabinet that the House appoint a select committee to fully examine the regulations and principles—

Mr. S. Smith: That's what we said.

Mr. Reid: That's what we told you to do.

Hon. Mr. Snow: —which govern the transportation of goods on Ontario highways. The government has agreed.

Mr. Roy: Who is running this province, eh?

Hon. Mr. Snow: Thus the House will be asked to establish at an early date such a select committee to investigate and make recommendations on the regulatory system governing for-hire trucking in this province.

Recommendations from this select committee could yield extremely valuable insights into the regulatory process. Public concerns could be allayed where they are unfounded. Should any adjustment to the present system be desirable, such recommendations would stem from this impartial group. This, I'm sure you will agree, Mr. Speaker, will provide a sound basis for future policy-making.

At this time, I would also like to request that the proposed select committee produce, if possible, an interim report by no later than Sept. 30 and a final report by the end of the calendar year. I should like to add that if any of the interim report recommendations are strong enough, the government is certainly prepared to react to them as quickly as possible—and I'm referring to the fall session. To this end, I would also like to request, with the agreement of the House, that the standing committee return Bill 4 to the House so that it may stand on the order paper until the select committee has reported.

YOUTH AND ALCOHOL REPORT

Hon. Mrs. Birch: At the end of the question period, I will be tabling a report on alcohol and youth which was requested by the Premier (Mr. Davis). The report was compiled by my parliamentary assistant following a series of meetings across the province.

Mr. Speaker: Oral questions.

PRIVATE LABORATORIES

Mr. Lewis: Could I begin, Mr. Speaker, by directing a question to the Attorney General? How is it that such a large number of doctors—I believe there are eight in total—are now before the discipline committee of the College of Physicians and Surgeons, under explicit investigation for possible conflict of interest or related matters of abuse arising from investigation into private labs, and there are no equivalent or coincident activities before the courts? Must one await the other or has the Attorney General decided, on the basis of the evidence, that no charges are to be laid?

Hon. Mr. McMurtry: Mr. Speaker, no, there's no reason why, to put it in the words of the Leader of the Opposition, that one must necessarily await the other. If we have evidence or if there is evidence of a breach of the Criminal Code, charges will be laid. I think it's safe to say that to date there has been no such evidence or no such evidence has been made available to my ministry. But at the same time I should stress there are

investigations pending and if we reach the stage where there is sufficient evidence to warrant a prosecution, prosecutions in fact will proceed.

Mr. Lewis: By way of supplementary, it doesn't follow then, if certain of the doctors are found in violation of medical ethics or practice by the discipline committee and are fined or have their licences revoked, that it means violation of the Criminal Code has taken place? They must be approached quite separately?

Hon. Mr. McMurtry: That's correct, Mr. Speaker.

Mr. Ziemba: Supplementary: Could the Attorney General tell us how the College of Physicians and Surgeons is going to come up with this evidence if it is not really looking very hard for witnesses?

Hon. Mr. McMurtry: Mr. Speaker, I'm not in a position to speak or comment on what is being done or is not being done by the College of Physicians; it's not a matter that really falls within my jurisdiction.

Mr. Singer: As long as they don't play at Maple Leaf Gardens.

Mrs. Campbell: Supplementary: Could I ask the Attorney General whether he has anyone sitting in on these hearings, which are conducted in private, to see what does develop out of the material that is advanced?

Hon. Mr. McMurtry: Well, we've always requested professional disciplinary bodies to make known to us any information that would warrant the laying of a criminal charge. We can't be assured that in fact this always does occur but that is the position we adopt. But I know of no practical way, legislatively or otherwise, to force them to communicate with us on each and every occasion which might well warrant such a communication.

Mr. Lewis: If I may, Mr. Speaker, one last supplementary: I take it from the Attorney General's answer—perhaps he can confirm it—that in fact he has investigated the problems which arose from the relationship between the doctors and Abko Lab and, on the basis of the police investigation thus far, he sees no grounds for laying any charges, no violation of the Criminal Code?

Hon. Mr. McMurtry: Mr. Speaker, I am sure the Leader of the Opposition must be aware that one doctor has been charged already in relation to the Abko Lab matter, as a principal of Abko Lab. There are con-

tinuing investigations and, as I have already said, if there is sufficient evidence to warrant the laying of charges against any other doctor, such charges will be proceeded with.

YOUTH AND ALCOHOL REPORT

Mr. Lewis: A question of the Provincial Secretary for Social Development. Can she provide us with any more detail of the government's intention or further opinions of the report which her assistant has produced for the government and the public? Is there one area or another on the alcohol report which the government intends to zero in on?

Hon. Mrs. Birch: Mr. Speaker, the report has not yet had consideration by my cabinet colleagues in any real detail, but I do understand that the House leaders have agreed there may be an opportunity for debate in the House on the whole issue.

Mr. Lewis: The government wants to have a debate? Then let it introduce legislation; we will debate it.

May I ask, as a supplementary, can the provincial secretary explain why the report was so generous and tender when it came to dealing with the industry's obligation, either by way of funding a public education programme or by way of giving the government additional revenue to do precisely that?

Hon. Mrs. Birch: No, Mr. Speaker. As I say, we haven't had the opportunity to really review all of the recommendations. The hon. member for Mississauga North (Mr. Jones) just submitted his report over a week ago.

Mr. Roy: Supplementary: In view of the answer given by the provincial secretary about a public debate on this report, would she advise whether we will be supplied with the report of the policy division of Management Board, which proposed policies for the cabinet back in 1970? In fact, one of the first recommendations of this report is that this is one of the options that should be considered. Will the provincial secretary make that report public and will we have a chance to see the various options available before we debate it publicly?

Hon. Mrs. Birch: Mr. Speaker, as I recall those reports prepared by the Management Board secretariat, they really had to do with theoretical administrative policies for the LCBO. I am not prepared to say that they will be tabled, but that was really the essence of those reports.

Mr. Roy: Supplementary, if I may: If the government wants to give some weight to this report and feels we should consider this first recommendation, does she not feel that we should at least see what these policy proposals are before we debate them publicly?

Hon. Mrs. Birch: Mr. Speaker, as I have already indicated, I am not prepared at this time to say that they will be tabled. Those were reports that were done by Management Board for consideration of cabinet.

Mr. Speaker: A final supplementary; the member for Rainy River.

Mr. Reid: Perhaps my colleague and I are speaking about the same thing. Is there something called a red book report, which the provincial secretary received from, I believe, the Addiction Research Foundation on this very question about the same time, and will that be made available to us?

Hon. Mrs. Birch: Mr. Speaker, I am not aware of any report or so-called red book; no, I am not aware of that report at all.

BRADLEY-GEORGETOWN HYDRO ROUTE

Mr. Lewis: If I may, a question of the Attorney General, Mr. Speaker. Could the Attorney General look into the opinions expressed by the Minister of Energy (Mr. Timbrell) in this Legislature around the Georgetown-Bradley corridor to see whether in fact they have not entirely prejudiced the expropriation hearings, which are to take place in June of this year, and where an inquiry officer is to find whether the expropriation is fair, sound and reasonably necessary, whether, therefore, the opinions expressed by the Minister of Energy in the determined taking of the land have prejudiced that inquiry? Could he do that?

[2:15]

Hon. Mr. McMurtry: Mr. Speaker, I know of no such statements made by the minister that would prejudice such an inquiry. If the Leader of the Opposition would like to give me details of those statements, I would be happy to discuss them with the Minister of Energy because I'm absolutely confident that he would not want to make any statement that would prejudice or interfere with the fairness of such proceedings.

Mr. Lewis: By way of supplementary, he may not have wished to do that, but does the Attorney General know that the legal counsel for the Grey-Bruce and Wellington county

associations, largely farmers, has now written to the Ombudsman suggesting that the Minister of Energy should be removed from his portfolio because of the prejudice done to the hearings by such explicit undertakings from government in advance of the inquiry? Can he perhaps look at the implications of what the minister has said in the light of the hearings which are yet to be held?

Hon. Mr. McMurtry: Mr. Speaker, I have no such information. As I say, I don't think I have anything to add to my previous answer in relation to the position that may or may not have been adopted by the minister in this matter.

SCIENTOLOGY AND MENTAL HEALTH

Mr. Lewis: I have a final question for the acting Minister of Health, if I may. I don't quite know how to phrase it but I'll put it to her.

In the light of the story which appeared in the Globe and Mail this morning, the difficult case of the young mentally ill girl who was involved with Scientology, and since there is a kind of rhythmic repetition of the Scientology relationship to the mental health field, often I think with difficulty, has it occurred to the minister or to her ministry to take a look at this Scientology outfit and see exactly how bona fide are the activities in the mental health field which it undertakes and what some of the consequences may be?

Hon. B. Stephenson: Mr. Speaker, I would remind the hon. Leader of the Opposition that, in fact, a special committee on the healing arts did investigate Scientology at the time that it was developing its report—which was finally tabled, I believe, in 1967-1968.

Mr. Reid: They weren't complimentary either.

Hon. B. Stephenson: The special committee made some statements regarding Scientology which I believe are probably still valid. I think there has not been a further investigation of this specific activity related to mental health except for an action which was brought by the Church of Scientology, which I gather has not as yet passed completely through the court mechanism. Whether it ever will or not I can't say, but it certainly is something which is of concern to me.

Mr. Lewis: By way of supplementary, can I encourage the minister, in her capacity as

the acting minister, to discuss with cabinet colleagues the possibility—I don't want to overdo it because I don't think the activity of any group should be prejudiced—of taking a look at the more worrisome aspect of Scientology's involvement with mental health, which has caused intermittent concern for the profession and for many of us who watch it? Can I suggest that?

Hon. B. Stephenson: Yes.

ASBESTOS PROBLEM AT HEDMAN MINES LTD.

Mr. Lewis: Before I sit down, is the minister still in the process of getting me a reply to my letter of March 4 concerning Hedman Mines?

Hon. B. Stephenson: Mr. Speaker, we have not as yet received the final reports on the tests which were carried out. When we receive those, the member will have the reply.

MEDICAL INFORMATION BUREAU

Mr. S. Smith: Mr. Speaker, a question to the Minister of Consumer and Commercial Relations, regarding the medical insurance bureau: Will the minister please outline to this House under what circumstances an individual has the right to know what is stored in his record at the medical insurance bureau, which computer is in Boston, Mass., and which furnishes information to all insurance companies here? Does the protection offered by the Consumer Reporting Act, section 7, apply to persons whose medical history is on file in a foreign country?

Hon. Mr. Handleman: Mr. Speaker, I think the hon. member is referring to the Medical Information Bureau rather than the medical insurance bureau. The Medical Information Bureau is a computer data bank which is located outside of Canada, containing medical information compiled on a number of insurance applications with the consent of the insured. Any person who wishes to obtain the information which is stored in that data bank with relation to himself may obtain it.

No, the provisions of the Act do not pertain to companies outside Canada. However, the company has agreed to comply with all the conditions of the Consumer Reporting Act on request from anybody in Canada.

Mr. S. Smith: If I might just ask a supplementary question. I thank him for correcting the name; he is quite right. Could the min-

ister explain exactly how an individual who suspects that there is some error in the information on file about him in Boston goes about getting the information corrected, because I have heard from some people who were refused such information?

Hon. Mr. Handleman: Mr. Speaker, all I can say is that he would go about it in the same way as he would under the Credit Reporting Act—that is, by writing to the company which has the information and preferably talking to my ministry so that we can follow up and ensure a response.

Mr. Reid: I would just like to ask the minister if he has considered my private member's bill of last session, which will be reintroduced, which will restrict the transmission of information stored in computers in Ontario to persons outside of the country? Does he not think that is a valid principle?

Hon. Mr. Handleman: Mr. Speaker, I think it would be a valid principle, bearing in mind the consideration of cost benefits. I think we would have to ensure that the cost of storing information separately in Canada was not loaded onto the premium payers in Canada.

SUPPLEMENTARY FUNDS FOR EDUCATION GRANTS

Mr. S. Smith: To the Minister of Education: Could he please explain why the government did not bring in supplementary estimates for education, and instead passed two Management Board orders—one on Jan. 6 for \$57.4 million and another on March 16, when the House was in session, for \$19 million—for a total of around \$77 million to make up for an insufficiency of general legislative grants money?

Hon. Mr. Wells: Mr. Speaker, I think that question should rightly be directed to the Chairman of the Management Board. We present to Management Board exactly what the financial situation is in the Ministry of Education, and how that is then to be handled after that I think depends upon—

Mr. Lewis: On you and your board.

Hon. Mr. Wells: —the Management Board and cabinet decision. I think I would be quite happy to explain exactly what the money was needed for. I am sure that neither the member nor the Leader of the Opposition (Mr. Lewis) would disagree with the need for that money. In fact, the grant system, as the member knows, to all intents and purposes—at least to a large degree—is an open-ended

programme and it is impossible really to predict exactly what the final figure will be until all the school board estimates are in. As the year progressed, those estimates came in. Based on the supplemental figure that was announced in April, it revised the 1975 grant ceiling and we needed the extra money.

Mr. S. Smith: May I redirect the question then, Mr. Speaker, to the Chairman of the Management Board, who has arrived on the scene? I asked the question: Could he explain why the government did not bring in supplementary estimates with regard to education? Instead, it passed two Management Board orders. There was one on Jan. 6 for \$57.4 million and another on March 16, when the House was sitting, for \$19 million—a total of \$77 million.

Hon. Mr. Auld: Mr. Speaker, I suppose I could start off by saying that in terms of the total budget it is a relatively insignificant figure, a relatively small proportion.

Mr. Singer: That is a great answer.

Mr. Shore: It is more than \$450,000.

Mr. Speaker: Order, please.

Mr. Reid: What's \$77 million?

Hon. Mr. Auld: It is a lot of money; but in terms of \$12 billion, it is a small percentage.

Mr. Singer: What's \$77 million?

Mr. Mancini: What's \$77 million?

Hon. Mr. Auld: The policy regarding supplementary estimates has varied from year to year. Sometimes there have been significant supplementary estimates passed, other times there have not. I suppose one of the problems in doing supplementary estimates is the amount of administrative detail and paper work that is involved in presenting them.

Mr. Reid: What about responsibility?

Mr. Speaker: Order, please.

Hon. Mr. Auld: The only thing I can say is, it was decided by the government not to bring in further supplementary estimates shortly before the budget—

Mr. Singer: The Treasurer (Mr. McKeough) would have had to reflect it in his deficit, eh? Or his cash requirement?

Hon. Mr. Auld: —after the supplementary estimates that were brought in late last year.

Mr. S. Smith: Supplementary: Does the minister not agree that instead of using estimates, these Management Board orders have the effect of hiding from the House additional expenditures until such time as the Auditor makes his report? Is he aware that between 1974 and 1975 the use of these orders more than doubled over previous years—in fact, to a total of \$235 million?

Hon. Mr. Auld: Mr. Speaker, I don't want to go into a long discussion about the principle of Management Board orders. The select committee of this House looking at that, along with some other matters, has had the Treasurer and me meeting with it to look at the whole question of reporting Management Board orders.

However, I don't know that the Liberal leader is aware that Management Board orders normally would be processed at the end of the fiscal year. Where a ministry finds it is going to be short of money in a vote, and under the policy that we presently follow over budget in another, an authorization for commitment may be issued for supplement the vote which is underestimated, but generally a Management Board order will not be issued until toward the end of the fiscal year when we are sure the estimated under-expenditure, in effect, was correct.

To give the hon. member one example, last December Transportation and Communications came to Management Board and indicated they might under-expend very significantly on King's highway construction because of a longer than usual construction season in the fall. I can't remember the exact figures, but when the smoke cleared away it turned out their original estimate on over-expenditure was about four times what it actually turned out to be. When the Management Board order was issued it was for the actual amount rather than the original estimate.

In many things, in welfare for instance, it is very difficult to estimate at the beginning of the year the proportion of money which will be expended, say under general welfare assistance on the one hand and family benefits on the other. It may well be that if there is an under-expenditure in one there is an over-expenditure in the other; and that would be dealt with by Management Board order.

Mr. Roy: That is why you have supplementary estimates.

Mr. Speaker: Order, please.

Mr. Lewis: Supplementary, Mr. Speaker: I want to ask Anastas Mikoyan just one small

supplementary to this question. It is in two parts.

First, why did the minister not stand and indicate to the Legislature, since estimates and supplementary estimates had both been through, that an amount of this very large dollar value was to be put through in addition by Management Board approval? Second, is it not true that given the additions to the supplementary estimates now indicated, plus the farm income stabilization plan as yet unbudgeted, we may well have an already predictable addition to the provincial deficit this year of close to \$200 million, making quite a shambles of the Treasurer's announcement on April 6 last?

Hon. Mr. Auld: To answer the second question first, Mr. Speaker; no. It may well be that if, as it appears, there will be over-expenditures in items presently estimated—and the Leader of the Opposition is aware that the estimates which have been tabled and will be tabled later on this week were really put together last fall; and finalized, say in January—as I say, if, as it appears, there will be over-expenditures in some items there may well be offsetting savings found elsewhere.

Mr. Lewis: Where?

Mrs. Campbell: Like hospital spending?

Hon. Mr. Auld: Within the whole total of the estimates of the government.

Mr. Lewis: Where? Money from what source? Name one.

Mr. Speaker: Order, please.

Hon. Mr. Auld: Mr. Speaker, I can't name one—

Mr. Lewis: Of course you can; that's nonsense.

Hon. Mr. Auld: —that we will find, next fall, to look after an estimated over-expenditure; but I can tell the hon. member that last December, when we had an idea what some of the over-expenditures were, we went through the estimates of all the ministries and asked for explanations of whether the remaining funds would all be spent or not. In a number of cases they had not been committed. In effect they were embargoed and were not spent, so that we were able to cover some of those over-expenditures.

GAINS CONFERENCE

Mr. S. Smith: Mr. Speaker, a question of the Minister of Community and Social Serv-

ices: Could he explain how he could have permitted his colleague, the Treasurer (Mr. McKeough), to go to a major federal-provincial conference on the guaranteed annual income and table a proposal which is totally based on an obsolete federal proposal, when he knew full well that a new proposal had come in in February and had all the figures attached to it? How could this minister let the Treasurer make a laughing stock of Ontario by presenting a detailed refutation of a proposal that had already been taken off the table? When he knew there was a new proposal, why couldn't he tell the Treasurer about it?

Mr. Yakabuski: You are still in bed with those feds, aren't you? That is where you get that kind of information.

Hon. Mr. Taylor: Surely the leader of the third party realizes that I don't keep the provincial Treasurer on a leash.

Mr. Sweeney: Somebody should.

Mr. Good: The blind leading the blind.

Mr. Speaker: Order, please.

[2:30]

Hon. Mr. Taylor: The Treasurer went to Ottawa with some very sound material. If I know the provincial Treasurer, he would have discharged his obligations with singular skill.

Mr. S. Smith: A supplementary: I'm interested to hear that the minister doesn't keep the Treasurer on a leash, but he might at least keep him informed.

Interjections.

Mr. S. Smith: Is it not true that the minister was in full possession of a document which was acceptable to all the provinces and to the federal government—which accepted all the criticisms previously made of the original proposal—and that instead of insisting that the Treasurer speak on that document the minister acquiesced and permitted him to present a refutation of a non-existent, basically obsolete, document and to represent Ontario's position in this disgraceful way? Does the minister admit he had the information and can he explain why he didn't use it?

Hon. Mr. Taylor: Mr. Speaker, I don't accept that statement by the hon. member of the third party as being correct.

Mrs. Campbell: Answer it.

Mr. S. Smith: Call it the fifth party. I don't care; get to the point.

Hon. Mr. Taylor: The fact remains that the latest proposal advanced by the federal authorities, in February, was a proposal for discussion purposes only. I think that probably other provinces in Canada had some concerns about it. I certainly expressed my concern in terms of that particular proposal, so it wasn't—

Interjection.

Hon. Mr. Taylor: —something which was universally accepted throughout Canada.

BROWNDALÉ OPERATIONS

Mr. S. Smith: I have one final question. This is for the acting Minister of Health.

Is it still government policy that no one associated with Browndale Ontario, supposedly a non-profit organization, is to have a financial interest in property leased by that organization? Is that still the policy of the government?

Hon. B. Stephenson: To my knowledge it is, sir.

Mr. S. Smith: As a supplementary: Is the minister not aware that documents sent to the Attorney General (Mr. McMurtry) indicate extensive leasing to Browndale Ontario by several private companies controlled by John Brown and others, and by Deborah Brown. I wonder what became of the commitment made in June, 1974, by John Brown that certain of these properties would be sold to Browndale Ontario or to the public? Brown Camps Ltd., Brown Camping Supplies Ltd., Brown Camps Leasing Ltd. are all leasing extensive properties to Browndale Ontario.

Hon. B. Stephenson: Mr. Speaker, I'm aware that the documentation has been sent to the Attorney General. I trust I shall be hearing from the Attorney General in short order regarding our actions in this area.

Mr. S. Smith: May I, at this point, direct the question to the Attorney General? Is it a fact that we'll be hearing in very short order about this very interesting leasing arrangement going on between John Brown and Browndale Ontario?

Hon. Mr. McMurtry: Mr. Speaker, as already indicated, certain documentation was sent to my ministry. There is, presently, an investigation into the allegations which accompanied the documentation. I would hope I'll be able to make a statement shortly to the Legislature but I can't guarantee that. It's a fairly extensive investigation.

Mr. Speaker: Any further questions? The hon. Solicitor General has the answer to a question which was asked previously.

PROTECTION OF PRIVATE PROPERTY

Hon. Mr. MacBeth: Thank you, Mr. Speaker. On April 13, the leader of the Liberal Party asked a question concerning a newspaper report about the residents of a housing project in Kitchener who formed a committee to protect their property because, as he stated, protection by the police was insufficient. The member asked if any other communities had set up such vigilante groups.

Let me say at the outset that the word vigilante, as used in the report, may have been used for dramatic effect. In fact, many neighbourhood groups, residents' associations and cottage owners have developed ways to work together to prevent crime in their communities. The Ontario Provincial Police and the other police forces in the province are supporting them in their efforts, through informal advice and even more structured lectures.

To complain that police protection is inadequate is unjustified. I am sure members will agree that a constant police patrol of underground garages and apartment lobbies would require additional manpower, thereby increasing the cost of what is already an expensive service. However, private security guards are not available in all residential complexes; therefore, to have citizens assist the police and each other in protecting their own property by being watchful of their own neighbourhoods seems to me to be a most satisfactory solution.

I do not condone vigilante groups as common use of the term implies. Untrained and unsupervised citizens' groups should not be, and are not, permitted to take the law into their own hands.

It is not known how many citizen groups have organized to assist law enforcement agencies in protecting property. However, if they conduct themselves within the recommended limitations of the powers extended to members of the public under the Criminal Code, they render invaluable aid to police forces in Ontario.

Mr. S. Smith: Supplementary: In his condoning and congratulating these citizens for supplementing police work, do I take it the Solicitor General is also condoning and congratulating them for keeping three rifles and extensive ammunition in the car with which they are protecting their garages? At what

point does he draw the line? When does action of this sort become something to be condoned as opposed to being something to be feared?

Hon. Mr. MacBeth: No, I don't condone that kind of vigilante work or action.

Mr. S. Smith: That's what was happening.

LUNG RESEARCH ON STEELWORKERS

Mr. Mackenzie: I have a question of the Minister of Labour, with reference to a question I asked a couple of weeks ago in the House: In view of the urgency and importance of the work, has the minister arranged any alternate funding for the work of Dr. Ronald Woulf at McMaster University on the lungs of workers in the steel mills in Hamilton?

Hon. B. Stephenson: To this date, no, that has not been possible.

Mr. Mackenzie: Does the minister anticipate that she is going to be able to do so before he leaves the country within the next month?

Hon. B. Stephenson: I am still trying.

PROTECTION FOR WOMEN OF CHILD-BEARING AGE

Mr. B. Newman: I have a question of the Minister of Labour. Is the minister aware of the transcript of the US National Institute for Occupational Safety and Health prepared for a US congressional committee that identifies 20 chemical agents, exposure to which might cause birth defects and miscarriages to women of child-bearing age?

Hon. B. Stephenson: Yes, I am aware of that list.

Mr. B. Newman: Does the minister plan to introduce legislation that will protect women in the work force who are of child-bearing age?

Hon. B. Stephenson: This entire matter has been referred to the occupational and environmental health advisory committee for their recommendations.

TAX REBATE ON CONDOMINIUMS

Mr. Leluk: A question of the Minister of Revenue: Does the minister plan on meeting soon with the mayors and reeves of the vari-

ous municipalities affected by the court decisions regarding tax assessment of condominiums to resolve the problem of tax rebates?

Hon. Mr. Meen: In short, I have made no arrangements in that regard and I was not anticipating any such meetings.

Mr. Leluk: Supplementary: Does the minister feel an immediate tax rebate, or a tax deferment plan based on future taxation years, is the most appropriate procedure for handling this situation?

Hon. Mr. Meen: I would anticipate the municipalities involved would have a number of ways in which they could work that out. In some cases the taxpayers have withheld payment and in those situations they will receive bills for the years concerned that will relate to the net amount owing, together with accrued interest on that net amount. In other cases, I would expect they have paid the full amount of the taxes, notwithstanding appeals lodged by them. In those cases, they might seek a rebate of the overpayment from the municipalities concerned or they might simply determine they would leave that on deposit as a credit, perhaps against the current year 1976. I think again, that would be a matter that would be worked out between the taxpayers and the municipalities concerned.

Mr. Cassidy: Supplementary: Now that the courts have ruled that the condominiums were wrongly assessed, does the minister intend any action in order to compensate retroactively those condominium owners who were not covered by the court cases?

Hon. Mr. Meen: No. This matter was fully discussed by us during the debate last fall, and the answer is simply no.

OMERS

Mr. Bounsall: I have a question of the Treasurer with regard to a couple of aspects of the Ontario Municipal Employees Retirement System. As most of the employees, and certainly their employee representative groups, have requested a change on the plan to a five-year terminal earnings average from the career earnings average, and since the OMERS board has also recommended that to him, when might we expect the Treasurer to give the favourable answer that that plan will be changed? Secondly, with six distinct employee groups covered by OMERS, when might we expect a change of employee representation on the board from four to six?

Hon. Mr. McKeough: Answering the second question first, they have rotated among those groups from time to time. I can't tell the member now who is represented and who isn't. Some of them are much larger than others, and feel that they should be represented at all times.

I can only say in response to the second part of the question that changes are made from time to time in the board as appointments come up for renewal. I think they are all on three-year terms and we try and achieve a balance when those appointments are made. In response to the first part of the plan, I think it's fair to say that the board had not, in fact, formally recommended to them.

PENSIONS FOR FORMER MPPS ON GOVERNMENT BOARDS

Mr. Roy: Mr. Speaker, I have a question for the Minister of Government Services: Would the minister advise me if former MPPs who have been appointed to certain tasks as chairman of the Criminal Injuries Compensation Board or on the Liquor Licence Appeal Tribunal, or who have been named provincial judges, still receive their pensions from the government over and above the remuneration they receive in these new positions?

Hon. Mrs. Scrivener: I would expect so, Mr. Speaker.

Mr. Roy: Doesn't the minister feel that when people are being paid \$35,000 to \$40,000 a year from the provincial coffers, that this is sufficient and that the pension should not be paid as long as they are on the provincial government payroll—and that that's the policy that is adopted at the federal level in many instances?

Hon. Mrs. Scrivener: Well, Mr. Speaker, I can't tell whether the member has two standards; whether there shall be one rule for one group of people and one rule for the other.

Mr. Roy: One further supplementary.

Mr. Speaker: Final supplementary.

Mr. Roy: This is a matter of policy. When people are on the government payroll, whether as judges or otherwise, doesn't the minister feel that if they are drawing something like \$35,000 or \$40,000 a year they should not be getting further funds from the province through a pension—and that the

pension should be suspended during the time they hold that position?

Hon. Mrs. Scrivener: Mr. Speaker, the member is working on the premise that these retired members actually do get the pension. I cannot confirm that they do, and therefore I will report to the member.

Mr. Roy: That's what I asked in the first place.

SELF-SERVE GASOLINE STATIONS

Mr. Philip: A question for the Treasurer: Would the minister kindly inform the House whether any decision has been made regarding the Dec. 9 resolution by the city of Windsor and subsequently approved by other municipalities which asked that the minister be requested to introduce an amendment to the Municipal Act to clearly establish the authority of municipalities to control the number and location of self-serve gasoline stations, as distinct from retail gas stations?

Hon. Mr. McKeough: Mr. Speaker, I think no decision has been made.

Mr. Philip: Supplementary: Can the minister tell us then, considering his letter of Jan. 9 to the city of Windsor that stated that "careful consideration to an amendment would be given at the earliest possible time"—can he give us some indication of what he means by the earliest possible time?

Hon. Mr. McKeough: We are still on that timetable, Mr. Speaker.

ALLEGED KICKBACKS TO FOOD PROCESSERS

Mr. Peterson: Mr. Speaker, to the Minister of Agriculture and Food: Is he aware of the allegations of kickbacks required from the Omar food processors and the produce processors in Trenton, Ont., and if so, has he launched any investigation into that situation?

Hon. W. Newman: Mr. Speaker, to be more specific, is the member talking about the canning industry down there, or the fresh corn market for canning?

Mr. Peterson: I am talking about requesting kickbacks from farmers to bring the price of corn down per ton.

Hon. W. Newman: I am aware that there have been negotiations going on, but I am not

aware of any kickbacks—if that's what the member is talking about.

Mr. Reid: Negotiations are now called kickbacks.

Mr. Speaker: Supplementary.

Mr. Peterson: Is the minister aware of any problems in that particular area with requests from the food processors to have a kickback from the farmers, in violation of the marketing board legislation? Is he aware of that situation at all?

Hon. W. Newman: I am aware that they have established a price for corn this year. I am aware of the fact that there will probably be overseas markets. I am aware they are negotiating, but I don't like that word "kickback". There is no kickback involved at all.

Mr. Gaunt: Supplementary?

Mr. Speaker: The final supplementary on this.

Mr. Gaunt: Supplementary: What is the minister doing to ensure that the farmers get paid for their 1975 crop, which matter is in contravention of the marketing board legislation?

Hon. W. Newman: Mr. Speaker, is the member referring to the 1975 crop at the Co-op plant down in eastern Ontario?

Mr. Gaunt: Yes.

Hon. W. Newman: I am not aware of any specific problem in 1975. I am aware of what could be coming up in the 1976 crop year, and I will be glad to look into that for him. [2:45]

DREE FUNDS FOR KIMBERLY-CLARK PROJECT

Mr. Stokes: I have a question for the provincial Treasurer. Is the provincial Treasurer aware that the five communities affected by the \$240 million expansion by Kimberly-Clark in northern Ontario are anxiously awaiting the details of a sub-agreement between DREE and Ontario for infrastructure money so that they can accommodate the 900 new employees who will be employed in that expansion by Kimberly-Clark? Is the minister aware that announcements have been made by the federal government that those funds will be made available, to the extent that the federal government is prepared to participate, as soon as the provincial government makes up its mind as to the degree of

involvement? Is he also aware that the five communities can't really strike a budget until they find out what the federal and provincial involvement might be in the infrastructure sub-agreement?

Hon. Mr. McKeough: Mr. Speaker, I was not aware that the federal government had made any announcements. I'll be glad to look into that. I am aware or, at least, I assume that those municipalities are concerned. I can only tell the member, as I've already indicated to him, that negotiations are proceeding—I think on a satisfactory basis—and I would hope that within the next two months we would reach a conclusion to those negotiations.

Mr. Reid: A supplementary, Mr. Speaker: Can the Treasurer indicate what the government's principles are in regard to expansion and founding of resource communities and the way in which the industry itself is to pay for the infrastructure, both social and otherwise, which has to be set up? What is the formula the government uses in approaching the expansion of Kimberly-Clark or the establishment of Umex or resource communities like that?

Hon. Mr. McKeough: Mr. Speaker, the member might want to direct that question to the Provincial Secretary for Resources Development (Mr. Irvine) who has an ongoing oversight of this particular problem—or challenge would be a better way of putting it.

I think, generally, if it's a brand new townsite our policy is that the originator of the townsite, for whom the townsite is created, is going to pay the shot. What complicates that rather simple formula is that often there are two in one place or there is an existing community which, perhaps, is sadly in need of infrastructure in any case and where the province and the local municipality have some ongoing responsibility or should have. Therefore, it would be unfair or wrong to ask the new industry or industries coming in to pick up all of the cost or the great proportion of it.

Generally, these matters are dealt with on their respective merits; there's no hard and fast formula. We start from the position—I think it's fair to say—that the originator of the condition is, in the first instance at any rate, asked to pick up the majority of the cost.

CHEDOKE HOSPITAL

Mr. Cunningham: My question is to the acting Minister of Health. Given that she met

with the Hamilton district health council on April 9 and that her letter in reply and in response to that meeting was dated April 14, does she find the short period of five days an appropriate amount of time to evaluate her decision as it would affect Chedoke Hospital and the delivery of health care in an area which affects almost half a million people?

Hon. B. Stephenson: Mr. Speaker, the district health council of Hamilton is one of the oldest and most experienced in the Province of Ontario. Its members' deliberations, I felt, were very worthwhile; the decisions and recommendations which they made, I thought, were very thoughtful and probably in the best interests of the people of that area. I do consider that they have spent a good deal of time and a great deal of intellectual effort in arriving at the recommendations which they made and I thought they were almost all valid. We have responded to it within a reasonable period of time as well, I think.

Mr. Deans: A supplementary: Since the minister has expressed such admiration for the work of the health council and since it did reduce the number of beds to the level which was indicated as desirable by the Ministry of Health, why does the Ministry of Health now find it necessary to encroach upon the jurisdiction of the health council rather than to leave it up to the council to decide how the bed distribution should be made in the city of Hamilton and the surrounding area and adopt what it proposes to her with regard to the Chedoke Hospital?

Hon. B. Stephenson: Mr. Speaker, the letter which I sent to the district health council in Hamilton contained a counterproposal. I asked for further validation of support for their proposal. I expect to hear from them. I have not made any further decision since I sent that letter; and I simply announced to them that I was waiting to hear from them regarding my counterproposal.

Mr. Deans: May I ask a simple supplementary?

Mr. S. Smith: Supplementary—

Mr. Speaker: Order, please. The member for Wentworth North who asked a question and wished a supplementary—there is time for that, I believe.

Mr. Cunningham: Mr. Speaker, given that the letter stated that these bed cutbacks were to be made by June 1, doesn't the minister

think there is some sort of inconsistency in what she is telling us right now?

Hon. B. Stephenson: Since, Mr. Speaker, these gentlemen seem to have read my letter to the chairman of the district health council—and I did not make it public, I sent it to him directly—

Mr. Deans: I haven't read it.

Hon. B. Stephenson: I think that if they read the letter they will find that that is not what I said.

Mr. Speaker: The oral question period has expired.

Petitions.

Mr. Singer: Mr. Speaker, on a point of order. Mr. Speaker, I received a notice from the Clerk advising that the standing committee on private bills will meet tomorrow to consider bills Pr5, Pr16, Pr17 and Pr18. Looking at my private bills book I find that bills Pr16 and Pr18 are not in it. Pursuing inquiries beyond that, I find that they are not printed. I wonder, Mr. Speaker, how the committee is supposed to be reasonably able to study these bills tomorrow in committee when the bills are not printed and won't be available apparently until tomorrow morning?

Hon. Mr. Kerr: Do you really look at them before tomorrow morning?

Mr. Singer: That's how I found out they weren't there.

Interjection.

Mr. Roy: Is the member for Scarborough Centre (Mr. Drea) packing a gun yet?

Mr. Speaker: I understand that the bills you mentioned will be ready. They will be up either later this afternoon or tomorrow morning. We will get them to you just as quickly as possible; and beyond that I have no control over it.

Mr. Singer: But surely, Mr. Speaker, as is the practice with other bills—in fact, there is a positive rule with general bills that they cannot be considered until they are printed. It's only logical that that rule carries over to private bills. It's unfair to expect members of the committee or members of this Legislature to deal with bills that aren't before them—

Mr. Eaton: Stand them down.

Mr. Singer: —and we are entitled to at least 24 hours' notice, and that's logical. I

would ask you, therefore, sir, to order that the private bills committee do not consider bills Pr16 and Pr18, until copies have been made available to the members.

Mr. Speaker: I think the committee can deal with that tomorrow morning, if we haven't got it solved in the next few hours.

Mr. Singer: How is it going to be solved if they won't be provided?

Mr. Speaker: Presenting reports.

Hon. Mrs. Birch presented a report entitled "Youth and Alcohol," which was prepared by the Ontario Youth Secretariat at the request of the Premier (Mr. Davis).

Mr. Speaker: Motions.

Introduction of bills.

CONDOMINIUM AMENDMENT ACT

Mr. Leluk moved first reading of bill intituled, An Act to amend the Condominium Act.

Motion agreed to; first reading of the bill.

Mr. Leluk: Mr. Speaker, there are a number of proposed changes here. In section 1, the new subsection sets out qualifications to be met by a person serving as a director of a condominium corporation. A candidate for a directorship would, therefore, have to be 18 years of age or over, an owner in the corporation, and the holder of a condominium director's certificate issued by a prescribed institution, where such a course is being offered, or such other qualifications as may be prescribed by the regulations.

The subsection would also allow directors to be paid, where the declarations so stipulate.

Section 2(1) requires that notices for meetings be in a prescribed form.

New subsection 5(a) is enacted to eliminate the expensive practice whereby corporations always have to call two meetings to get a quorum. The new subsection would allow corporations to call a meeting notwithstanding that a quorum of members may not be present. The subsection would therefore encourage better attendance at meetings of the corporation.

New subsection 5(b) provides that proxies must be in a prescribed form. The intention is to make owners more aware of what they are signing when they sign a proxy.

Sections 3, 4, 5, 6 and 7 have been changed so that, in order to carry out the

particular business indicated in the particular section, the corporation need only get a majority vote at any meeting duly called, instead of the 66⅔ per cent or 80 per cent, as the case may be, of the owners of the common elements agreeing to the proposal. These changes are enacted so as to encourage a greater turnout and participation at meetings of condominium corporations.

Section 8 is consistent with the changes in section 1.

CONDOMINIUM AMENDMENT ACT

Mr. Leluk moved first reading of bill intituled, An Act to amend the Condominium Act.

Motion agreed to; first reading of the bill.

Mr. Leluk: Mr. Speaker, the purpose of this bill is to provide for a condominium registrar, who would be available for consultation and who would build up an expertise in the condominium field. Corporations would be required to file minutes of annual meetings, lists of directors, financial statements and any other documents required to be registered in the condominium register with the registrar.

Mr. Speaker: Orders of the day.

DEAD ANIMAL DISPOSAL AMENDMENT ACT

Hon. W. Newman moved second reading of Bill 56, An Act to amend the Dead Animal Disposal Act.

Mr. Riddell: We certainly have no objections to this bill, Mr. Speaker. It seems to me that we had a bit of a problem a year or two ago with some people who were dealing in dead animals and disposing of the meat for human consumption. I know I brought this to the attention of the minister last session, for it was my understanding that the licences of some of those people had been renewed to establish slaughtering plants. I fail to understand why a licence would be renewed to a person who was actually found guilty of disposing of meat from dead animals for human consumption.

As I see it, this bill prohibits anybody who is dealing in dead animals from disposing of such meat for human consumption, and I'm a little surprised that this wasn't incorporated into a bill some time ago. I think it is a very necessary part of the Dead Animal Disposal Act, and we certainly have no objections to it.

Mr. Gaunt: Mr. Speaker, the Ontario Beef Improvement Association has from time to time recommended that any company picking up dead animals should have to obtain a bill of lading for that animal and that those animals go to a rendering plant, at which time the bill of lading would be presented.

It seems to me that that sort of system would be a good one from the point of view of stopping a lot of the illegal traffic in dead meat, particularly as it moves through the human consumption channels. I am wondering has the minister given that any thought, and if so, does he consider it to have some validity?

[3:00]

Mr. Speaker: Are there any other hon. members who wish to speak to this bill? The member for Lakeshore.

Mr. Lawlor: The legislation bemuses me a little. I was around the back of the Throne trying to find the statute in question. Does it mean specifically what it says in terms of the Act: "No person shall give, sell, offer for sale, process, transport, or deliver to any person as food for human consumption meat obtained from a dead animal"?

I would have thought every meat we had to eat was so obtained in the first instance. What is the wider implication of the section? Apart from that, which is possibly simply a semantic difficulty, I think we can be brought, reluctantly and with great hesitation, to approve of the legislation.

Mr. Speaker: Do any other hon. members wish to speak to this bill?

Mr. Breithaupt: He seemed not to have heard the comment.

Hon. W. Newman: I couldn't hear a thing over here.

Mr. Breithaupt: I think not. I am wondering if perhaps the member for Lakeshore would repeat it, or I can attend to it. The point is surely meat used for human consumption must always come from a dead animal unless that is otherwise defined in the Act?

Mr. Worton: It depends how dead.

Mr. Breithaupt: It depends how dead, I suppose.

Mr. Gaunt: Real dead.

Mr. Speaker: The hon. minister.

Hon. W. Newman: Mr. Speaker, I suppose they have a very good point there, but this

is to deal with animals that have died for one reason or another and not been slaughtered in the proper manner.

Mr. Gaunt: Other than from natural causes.

Hon. W. Newman: Right, other than from man-made causes. The intent of the original bill was exactly what we are saying here, and also under the federal Food and Drug Act we had some protection, but we felt that it should be put into an amendment to the Dead Animal Disposal Act to make this just a little bit tighter for our own inspectors as far as handling of dead meat is concerned.

We haven't looked at the bill of lading situation. It might have some merit and I am quite prepared to look at it, but really this is to tidy up and tighten it up a little bit. As a result of certain charges that were laid earlier this year we felt that the Act could be tightened up just a wee bit. So the intent was there. There is protection as far as consumers are concerned under the federal Food and Drug Act, but we feel that this piece of legislation spells it out a little more clearly by adding this to our section 4 of the bill.

Mr. Speaker: The motion is for second reading of Bill 56.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Mr. Lawlor: Committee.

Mr. Speaker: Committee of the whole House.

ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM AMENDMENT ACT

Mr. Norton, on behalf of Hon. Mr. McKeough, moved second reading of Bill 27, An Act to amend the Ontario Municipal Employees Retirement System Act.

Mr. Bounsall: Mr. Speaker, I just have a few brief comments on this bill. There is nothing in the particular bill that I would particularly oppose.

I am just a little concerned, relative to questions on another matter which I raised in question period today, that there be more changes in this bill than what we have before us, specifically the fact that the OMERS plan be changed to a five years' average of your best or final five years as the means by which the plan should be

funded. I was led by the executive director of OMERS to believe that that suggestion had already been formally presented to the Treasurer (Mr. McKeough). I asked the Treasurer today when we could expect that change to be made and he said it was not as yet formally presented. So one or the other of those two gentlemen is not being honest with myself, and I intend to inform myself further on that particular matter.

I have nothing against this particular bill as far as it goes. I would just hope that there would have been much more in this bill to make worthwhile its presentation; some real changes in OMERS, a decent, more equitable interest rate paid and some say by OMERS employees as to where some of that investment may go and that it should not be, as it is now, virtually all channelled into the government coffers. Thank you, Mr. Speaker.

Mr. Good: Mr. Speaker, the amendments to the OMERS bill before us do, in fact, broaden the whole principle of the OMERS legislation. As mentioned, it certainly doesn't incorporate many of the things that are being asked for by various groups that are under the plan.

I understand the first amendment, which broadens the definition as to those who can be covered, will now include officials who work for any board or group connected with the municipality, and specifically I understand that a secretary or a union official working for a firefighters' union or a police association could now be covered under OMERS, which was not permissible previously.

The expansion of the transferability, as I understand those amendments, would now mean that service with any board anywhere in Canada or with any municipality would now grant portability to one's pension plan from other parts of the province or other parts of the country, as a matter of fact, if that particular board or commission or municipality was of a similar nature. We applaud that which makes it more portable.

The inclusion under OMERS which has been granted previously to the civil servants allowing them to make back payments for war service is good, and I believe practically every pension plan in the province now includes that principle except the one which applies to members of this Legislature. Maybe some day that will even be amended to give members of the Legislature that particular privilege, which is now enjoyed by every other civil servant in OMERS and everyone else.

On the retroactivity of regulations made by cabinet, I inquired about this and I under-

stand there could be certain specific instances where cabinet would have to deal with individual problems and it would need the right to make the regulations retroactive.

(There are certain things that do concern me. For instance, I understand the police and firefighters are the only groups that can gear their OMERS benefits so that they can retire at age 60 rather than 65. The utility workers across the province have been campaigning heavily for certain things which they feel should be changed in the OMERS legislation. While these amendments do, in fact, broaden the scope considerably there are still a great many things about the plan that could be improved if, in fact, the OMERS board when it deals with them does make recommendations to cabinet and the legislation is changed.

I'm thinking particularly of the supplementary plans which are available to certain people and not available to others in the same scope. I believe police and firemen do have additional benefits under supplementary plans whereby they can pay an additional sum—seven per cent rather than five per cent—and then, therefore, enjoy an earlier retirement with full benefits.

I think in the time I've been here, every year there are changes asked for by various groups and they seem to be so slow in coming. We certainly support these benefits which do broaden the whole scope of the OMERS Act, but I see no reason why the OMERS board can't deal more quickly and more vigorously with the requests that come from groups such as utility workers, and then recommendations to cabinet should be dealt with and expedited. As has been mentioned previously this afternoon, these are important issues with the people, because their retirement depends upon them, and it's unfortunate that groups are at the mercy of the slow mechanics of governments in this regard.

Mr. B. Newman: Mr. Speaker, I want to make a few comments on the bill. I'm sure the minister is aware, as are most members of the House, of the numerous letters and petitions from various utilities workers throughout the province in an attempt to get changes in the OMERS scheme.

One of the suggestions the utility workers make concerns reducing the retirement age from 65 to 60, as is enjoyed by both fire and police. Today, when unemployment is a major factor in some communities, earlier retirement would be another partial answer to lessening the unemployment situation.

I hope the minister, or the parliamentary assistant piloting this piece of legislation through the Legislature, will look seriously at

the recommendations and suggestions by the various utilities employees and will do his best to convince his cabinet colleagues that changes in the OMERS scheme are long overdue.

Mr. Norton: Mr. Speaker, my comments will be brief. First of all, perhaps in response to the specific question of the hon. member for Windsor-Walkerville, I should say that I personally am not aware of there having been any communication on the specific matters that he raised. I will, however, take that up with the executive director of OMERS and see if there was any communication that has not come to my attention and discuss those matters further with him.

Likewise, I appreciate the comments of the hon. member for Waterloo North and certainly I do undertake to follow up on the matters that he has raised as well. If the hon. members do have any other matters they would like to bring to the attention of me and members of the ministry for consideration for subsequent amendments, I would encourage them to communicate with me on those matters and I would be pleased to discuss them on a policy level with the responsible minister.

With regard to the specific legislation before us, I think it's apparent from the comments that have been made by the members of the opposition in the discussions up to this point that there are few questions or no particular questions with regard to the specific content. Therefore, I think little would be gained by my going through the matter at this point, discussing the principle on a clause-by-clause basis. I am very pleased there is obvious support from the opposition members for the existing legislation.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill 27, An Act to amend the Ontario Municipal Employees Retirement System Act.

PUBLIC UTILITIES AMENDMENT ACT

Mr. Norton, on behalf of Hon. Mr. McKeough, moved second reading of Bill 41, An Act to amend the Public Utilities Act.

Mr. Good: Mr. Speaker, I have a question regarding the principle behind this bill. This bill now eliminates the section which required

the public utilities commission to pledge, as security, land or buildings it was purchasing and for which the municipality was issuing debentures.

As hon. members know, under normal circumstances, municipalities, when they are raising debentures, do not have to pledge as security anything other than that municipality's ability to raise taxes and pay off its debentures. When a municipality guaranteed the debentures for a public utilities commission, there were requirements under the Public Utilities Act that such debenture issue would be guaranteed by the lands or buildings which were being purchased by the public utility. Now that principle is eliminated, so that neither the municipality nor the public utilities commission has to guarantee any property in the form of a mortgage or any other kind of guarantee against those debentures.

[3:15]

However, last fall, as I remember, we passed an amendment to the Municipal Act which completely reversed this principle. That took place when a municipality borrowed money from the Ontario Development Corp. or one of the Ontario Development Corps. under the Ontario Development Act. In that instance, when a municipality borrowed money from ODC or Eastern Ontario or Northern Ontario Development Corp. to buy land for industrial park purposes, we amended the Municipal Act so that the municipality then had to pledge and mortgage that particular land as security for the money borrowed from the ODC.

I find it strange that we should establish that principle as a new principle last fall in one instance when the municipality borrows money and gives the land as security, and now we wipe that principle out in the public utilities commissions to make it coincide with all other aspects of the municipal financing. Really, the security of a piece of land is not what establishes a municipality's ability to pay off its debentures; it is that municipality's ability to raise money and to raise taxes to pay off its debentures.

I agree with this legislation but I would certainly like an answer as to why we established that new principle last fall with amendments to the Municipal Act and now we eliminate the same principle under the Public Utilities Act?

Mr. Lawlor: Just a word or two about the legislation. It's an advanced step into a more sophisticated financing area. When municipalities issue bonds, debentures or any notes,

etc., placing them in species, placing them against individual objects and pieces of property, real or personal, is an outmoded and antiquated version which, as they point out, is not done within the debenture instrument itself. It is a blanket instrument; it covers all assets. It has full backing.

In the same way as the Province of Ontario borrows against its total acquirement and its total complement of assets, without allocating and earmarking this or that one, so, too, should municipalities—and they do presently—raise money through debentures in a blanket coverage situation.

All the legislation is doing is to give recognition to that particular financing principle, and certainly one can't have any objection to it.

Mr. Norton: Mr. Speaker, I am sorry I am not able to respond to the question raised by the hon. member for Waterloo North; I was not aware of the specific amendment he refers to. However, I will undertake to make inquiries about that and communicate to him directly on the matter or, should this come up again in the committee of the whole House, hopefully I will be prepared to respond at that time.

Once again, I think there is little I can add here except to reinforce what has already been said by the hon. member for Lakeshore, that this is a progressive step. It enacts in legislation what has already been taking place in practice for many years and reassures those persons who are engaged in the field of municipal finance of the kind of security, reinforced by legislation, which we have been proud to ensure in the Province of Ontario.

Motion agreed to; second reading of the bill.

THIRD READING

The following bill was given third reading upon motion:

Bill 41, An Act to amend the Public Utilities Act.

Clerk of the House: The second order, House in committee of the whole.

DEAD ANIMAL DISPOSAL AMENDMENT ACT

House in committee on Bill 56, An Act to amend the Dead Animal Disposal Act.

Hon. Mr. Welch: The parliamentary assistant to the minister is here to take the bill through.

Mr. Lawlor: That's nice. Hello, over there. What was the answer to the question having to do with all animals which, I take it, are eaten by way of beefsteaks or lamb chops in various forms of restaurant and are presumably dead at the time? The section as it reads would say that that's quite illegal. Is it your intention to institute a vegetarian feast in the Province of Ontario?

Mr. Eaton: No, it means what it says basically and it's interpreted in the Act under 1(b). Dead animal means the carcass or any part thereof of a horse, goat, sheep, swine or head of cattle which has died from any cause other than slaughter. It's covered.

Bill 56 reported.

HIGHWAY TRAFFIC AMENDMENT ACT

House in committee on Bill 25, An Act to amend the Highway Traffic Act.

Mr. Chairman: Bill 25, I understand, is going to be dealt with jointly by the hon. Minister of Transportation and Communications and the hon. Attorney General. Does either of the ministers have any opening comments? The hon. Minister of Transportation and Communications.

Hon. Mr. Snow: Mr. Chairman, I would like to say that when we come to the sections I will have amendments to move to sections 5, 10, 12 and 17. My colleague the Attorney General will be dealing with the debate on sections 3, 4 and 20, I believe it is.

Mr. Breithaupt: Mr. Chairman, before the debate continues, can the minister advise us as to whether any of the particular amendments with respect to this Act would be matters he is considering with reference to the new select committee? In other words, are there certain things with which we would not have to deal at this time or are all of these amendments wanted by the ministry now, no matter what the work of the select committee may be?

Hon. Mr. Snow: Yes, we would like to proceed with all the sections of the bill. I have given your colleague to your right a copy of the amendments so you have them there. Really, any action taken on this bill does not deter the select committee in any way from looking into these particular matters. I don't know what particular sections the hon. member has in mind which might be deferred, but none of these sections really deals only with vehicles under the PCV Act. They

may deal with the total class of truck, whether they be privately owned, leased, licensed PCV or not. There isn't anything here that I would like to delay at this time.

Mr. Lawlor: Just one question if I may. Has the Attorney General amendments to section 3 or 4 of the sections he's handling?

Hon. Mr. McMurtry: No.

Mr. Lawlor: You are okay? Fine. Thank you.

Mr. Moffatt: Mr. Chairman, the minister alluded to the fact that he would be proposing an amendment to section 5 in this bill, and I also have an amendment to section 5.

Mr. Chairman: I think I should start off by asking if there is anything on any previous section of the bill. I believe the hon. Attorney General indicated he had something on section 3.

On section 3:

Hon. Mr. McMurtry: Mr. Chairman, the purpose of the amendment is to fill the gap with respect to the suspension of licences following conviction for a criminal offence involving the use of a motor vehicle, left as a result of clause 19 of the federal bill, C-71.

Clause 19 of the federal legislation repealed those provisions of section 238 of the Criminal Code which permitted a judge to make an order suspending a licence for up to three years where the person is not liable to imprisonment for life and for any period the judge considered proper where the person is convicted of an offence where the maximum penalty is life imprisonment. Subsection 3 of section 20 will permit a judge to make such orders under the Highway Traffic Act instead of under the Criminal Code.

The purpose of this amendment, as the legislation states, is to safeguard the interests of the public using the highways and, therefore, to give a judge the power to suspend a licence, even though an accused may have been given a conditional or absolute discharge under the Criminal Code. Section 4 really is in furtherance of that same intent.

I might just say, as a matter of brief historical background, that at the federal-provincial meeting of Attorneys General and Ministers of Justice in Halifax in October, 1975, I indicated to the federal Minister of Justice that we in Ontario opposed the removal of the power under section 238 which gave a judge the power to impose driving suspension for three years unless it was an offence pun-

ishable up to life imprisonment. They took our objection under consideration and the last word we had, when they proceeded with Bill C-71, was that we could provide for this suspension under our Highway Traffic Act. We have moved accordingly.

I think most members of the Legislature would agree that in certain circumstances it is in the public interest to allow a trial judge, the person who actually hears the circumstances related to the offence, to impose a greater suspension than the automatic minimum suspensions that have been traditionally provided under the Highway Traffic Act. In view of the fact that this right was taken out of the code—and I might say it was taken out of the code because of the conflict that you will recall existed between the intermittent driving privileges that were provided for in the code and the absolute suspensions which were provided for under the Highway Traffic Act—all the provinces expressed their concern with relation to the conflict between the intermittent provisions and the mandatory suspensions provided under the provincial legislation.

The response of the federal government was simply to get out of the field of driving suspensions entirely. Therefore, we believed it was in the public interest that we fill the gap that has been left by Bill C-71, which, if it has not already been proclaimed, will be proclaimed any day. I'm sorry I don't have the exact date of the proclamation.

Mr. Bullbrook: Mr. Chairman, I want to ask a question of the Attorney General on a point I'm not quite clear about. In connection with the discretion that a judge previously exercised with respect to intermittent sentences, does this now remove that discretion from the bench?

Hon. Mr. McMurtry: Yes.

Mr. Reid: So there is no such thing then.

Hon. Mr. McMurtry: There is no such thing; that was under the Criminal Code, and I understand that is removed by Bill C-71.

Mr. Roy: That's removed from the code.

Mr. Bullbrook: It was removed from the code, not because of a motivation on the part, as I understand it, of the Minister of Justice at Ottawa to fetter judges in exercising the discretion with respect to intermittent sentences. The motivation of the federal jurisdiction was that we shouldn't be in there anyway. I think the Attorney General will agree with that.

I want to express some personal concern—probably not caucus concern in this respect—in not permitting the continuation of some intermittent driving privileges and some discretion in the bench. Frankly, I expressed this several years ago and it's a very difficult and delicate subject. The very activist attitude of the present Attorney General in connection with those offences enunciated in subsection 3 is something very worthwhile and he is to be applauded by those people on this side of the House.

On the other hand, I want to go back to 1971 and 1972 when I stood in this chamber and said it seemed to me that justice isn't entirely equal when someone who is wealthy enough to lose the privilege of driving is also concurrently wealthy enough to hire somebody to drive him. Yet it causes me no little concern, and I am sure it causes the Chair and other members of the House no little concern, to recognize that some constituent of mine—without in any way defending his personal impropriety or minimizing the seriousness of the offence—may lose his livelihood because of the lack of discretion in the court.

I am very interested, therefore, in attempting some type of debate in this respect. As I see the two balances, we have the understanding by the public that if we issue intermittent driving privileges we then don't regard the fight on drinking and driving as a very serious one, and I want to say that I do regard it as a serious one.

But I am more concerned from a professional standpoint in the removal of the right that the courts had to recognize the personal implications of the penalty—which in some circumstances don't seem to be commensurate as between the same offence committed by two persons, so that the effect of the suspension is a personal and continuing family tragedy for one and is less than nothing for another.

Since it's not our intention at this time to put forward any amendments, as I understand it from my colleague who is the official critic, I would like to get some response on balance from the Attorney General in that respect.

Hon. Mr. McMurtry: I think the issues that have been raised are very legitimate ones and I know are of concern to any of us who have been called upon to represent people in the courts who are going to lose their livelihood by reason of a driving suspension. On the other hand, there is no doubt, without being overly critical of the provincial judiciary, in certain circumstances this power to grant

intermittent driving privileges in certain areas of the province quite frankly was abused somewhat, so that the suspension became rather meaningless.

It's a difficult question. I think because of the increasing toll of deaths and serious injuries on the highways there were many of us who felt that perhaps more Draconian measures were required. Notwithstanding that, I think the issues that are raised are not easy to deal with as there is no question that there is a certain degree of inequality in the application of the suspension for the reasons that have just been mentioned.

I would think this might well be an issue that might be referred in some way to the select committee which, I understand, is going to be established in relation to highway traffic safety.

Mr. Bullbrook: In that respect, if we could just have for a moment some type of dialogue which I think is very effective and beneficial, I would really like to see that. Basically those people who are so adversely affected by the lack of elasticity in the bench are the people who are public commercial drivers, and those are the people who are mainly losing their livelihood. One can say legitimately—and I am sure the Attorney General had to hold his tongue back in not saying that—they are the very people who should not be convicted of impaired driving because they are professional, and there's great merit in that. I'm glad he didn't take it upon himself to say that, but that would have been a logical response.

On balance I would really like to see this; I would like to see the continuation of some discretion in the bench. I really feel it isn't the function of the legislative process to assess the impact of sentences on an individual basis. I, as one person in this assembly, prefer to see the eyeball-to-eyeball approach that takes place in the courtroom. I prefer to see, on the basis of reports given to an individual judge, that when he's meting out justice he metes it out with a discretion, and a temperance at times, that is more equitable on balance.

The Attorney General might turn to his colleague on the left and I think he might well consider as one of the terms of reference of the select committee, the implication of driver control programmes on those people employed under public commercial vehicle licences—something of that nature.

Mr. Lawlor: Mr. Chairman, I would like to join in this debate on this particular point that's being discussed. There are some ques-

tions of a more legalistic nature maybe rising out of the section itself. I've long felt that however Draconian, and how much of an iron rule is set up, the administration of justice in this province must, if it's to be justice—with the people leaving the courtroom with a sense that they've been fairly dealt with—be somehow individualized to some degree. How do you do that?

You can't do it by iron codes and by laying down sections as we do—because the sections, by definition, are universal, categorical and impersonal, and they apply to all alike, right across the board. But there is an interposition there; there is such a thing as a judge. He's between our laws and what we lay down in terms of strict strictures and the accused person standing in front of him. Every case is different and some provision must be made for that in the administration of justice. Simply to pick an iron rule is to create an iron cage in the society. Therefore, I'm in favour by and large of the widest possible discretion being conferred upon judges.

There are circumstances. You and I in our practice before the criminal bar over the years have had cases where, without being a bleeding heart, one's heart bled after the case was over for the position, through his own fault, that a truck driver or a taxi driver or any number of people in the commercial field, driving for a livelihood found himself—emerging from that courtroom with his family with his prospects not dimmed, but completely damned, blotted out. He pleads with you afterwards to take an appeal—to do this, that and the other thing. With a driving-with-ability-impaired charge the chances of winning on those cases are 1 in 100 these days, particularly if you are over 1.0–1.2 and you've had it. We will discuss this on some other occasion, but as a matter of fact it should be taken out of legal aid, probably—representations under those particular sections of the code; 234, I think it is, and 235.

So, leave in some provision for the maintenance of a livelihood, not to send them out on relief, not to place them in the hands of welfare, not to exclude their future prospects of employment—and that's what's happening. I've had an awful lot of these cases. It's all right for the bone-headed or the hard-headed, or whatever heads they may have, to say, "Throw the book at them; throw them in jail." They seem to think that they somehow go away. But the fact of the matter is they are plunged, with their whole families and whole futures, on the doorsteps of every taxpayer in the province. There are all those people

who seem to be so oblivious of what the impact is.

Therefore let's have an element of the intermittent sentence. It's like the guys going in and serving the weekend in the Don Jail and serving their sentence by that particular process. Also, with respect to driving, if the people in certain areas of employment are fatuous enough, foolish enough, twisted enough, boonswaggled enough or idiotic enough to get themselves into a position, they nevertheless must not afflict the whole of society and we must not afflict their families and everyone else around them in this particular.

Haven't we got sufficient confidence in our judges—I have—for them to weigh and assess this person, his characteristics, his predilection, what he is given over to and what he isn't? Is he an alcoholic? Is he deeply addicted to the grape? How far has this gone? What is the impact? All these hundred factors, all the variables that make a human life, a judge can take, by representations from counsel, into consideration.

We have some obligation to give him that opportunity so that the very right and justice of the case is met in particular circumstances and that no lives are blighted because you say, in a blanket way, "We will damn well cut out this drinking and driving" and bring the full force of the law to bear as the sanction in this particular regard. The consequences of that are not just deeply looked at on the basis of that particular categorical imperative. That's the trouble with categorical imperatives; when you set up things in terms of pure duty, you stop there. There is a whole school that says you ought not to go any further. But at least the utilitarians had this much good behind them—they took a look at consequences to see what flowed from any action.

It is all right to damn a particular action and say that that Act is intrinsically wrong, the devil come what may, and what may flow out of it is not to be taken into countenance in judging the thing. Well, you and I don't look at it that way. No lawyer really does. We are not moralists in those terms. We want to see how it creeps through society, and how the stream flows, and what the repercussions are, and what the ultimate effects upon a very wide body of persons may be, and we have to make provision for that. The way to do it is, with respect, giving some flexibility to the judge in this particular regard.

So far so good. A more legalistic point, under the federal legislation—this legislation

was visited upon me as I came into the House today; I have not had an opportunity, although I have in front of me the Criminal Code, 1975—it seems to me that the section with respect to roadside testing, which I understand is a new section 234(1), that was subject under the federal bill to proclamation by the province. You have not, as I understand it, proclaimed that section yet. What is your intention with regard to proclamation? Does it involve the roadside testing concept? Just what is the weight of that? I mean, how broad is that roadside testing power, and is that part of this legislation in front of us at the present moment, the initiation and coming into being of that principle?

You won a certain amount of notoriety in the press around Christmas-time about stopping people and questioning them, and the police officer involved, on a quick assessment, on a shrewd appraisal of the individual's deportment, his gait and other characteristics, could take him right off the road. Is that all involved here today? I am not clear on the point.

Mr. Breithaupt: I have been interested, Mr. Chairman, particularly in the response which the Attorney General gave to my colleague from Sarnia and his view that in some areas, dealing in this particular section, discretion has perhaps been too widely used. The only unfortunate problem that flows from that is that the minister now apparently would replace the possible abuse of discretion with no opportunity for discretion. I think there should be some opportunity for discretion in this particular matter of intermittent driving. [3:45]

The sentencing which has taken place has, of course, received wide support in most areas of the public, because it is clearly apparent that the drinking driver is a particularly serious menace not only to himself or herself but to the general public, considering the costs of hospitalization and all these other matters that so concern the members of the Legislature.

That being said, I am drawn to the comments by the member for Lakeshore (Mr. Lawlor) who says it may well be in the public interest to allow some form of balance in this kind of programme, rather than throwing entirely perhaps on the welfare system or on some other source of public assistance, the person and his or her family, who as a result, suffer because of the loss of livelihood; or the impossibility, because of education or skills, of obtaining any other kind of occupation commensurate with that which perhaps

the person had, shall we say as driver of a transport truck or whatever it may be.

I agree with the comments, of course, that those persons are the last who should risk their own livelihood by getting in this kind of position, because they should be the ones most aware of the dangers of traffic accidents and the loss of life and injuries which result from this kind of problem.

However, I do feel, to repeat my earlier comment, that because some judges have, perhaps, given discretion too freely, it should not be the entire basis upon which we come to this conclusion. I would far prefer the matter of discretion to remain so that it is not, of course, abused but that it does exist for the occasional case in which justice would be seen to be done if that person is treated somewhat differently from his or her fellow citizens.

I agree, of course, that the matter of having the law as changeable as the length of the chancellor's foot is not the answer. Surely, it is also not the answer to attempt to fit everyone into what becomes this Procrustean bed of making sure that each person is dealt with in precisely the same manner and so there is no balancing of the justice we seek, with the possibility of the application of some mercy which can also be important within our society.

I would prefer that some discretion would remain. I would prefer that those persons who are appointed to the bench, because of their learning and because of their abilities, should have left with them the opportunity to deal with these matters on occasion in a way they feel best fits the portion of the province in which they live and the persons who are brought before the bar of justice. I would encourage the Attorney General to consider this because I think we would have better legislation as a result.

Mr. Lawlor: The second major point I want to make in connection with the legislation is I wonder—at least it should be perused in principle in this House; the point should be raised—whether it is good in principle that a judge can come to the conclusion to give either a conditional or an absolute discharge. Let's deal with the latter first.

An absolute discharge is under 661, subsection 1 of point 1 of the Criminal Code. A judge doesn't easily come to the position of granting an absolute discharge. The point about an absolute discharge is to remove from that individual, with respect to employment opportunities and with respect to any stigma touching their character, the stigma vis-à-vis

a criminal offence. Although the individual may be convicted of the offence, he receives a discharge from it and he then is clear with respect to his public presentation of himself.

It's only under extraordinary circumstances that that is done. It's done in cases in which a woman has done some shoplifting, for instance, and this is her first offence—she's never been caught, at least, doing this previously. She is a working woman and you make a plea to the judge and he says: "All right. You pleaded guilty or you've been convicted on the evidence, but the fact is, I will alleviate you from further harm flowing from this particular act by way of an absolute discharge."

Having arrived at that, you are saying in your legislation that he gets an absolute discharge for some fairly onerous, even heinous offences under the Criminal Code: Causing death by criminal negligence, 203; causing bodily harm by criminal negligence, 204, with a 10-year maximum; manslaughter, 219; criminal negligence in the operation of a motor vehicle, 233.1, with a five-year minimum penalty; and so on. All these sections are referred to in the first subsections of the section.

You're saying, despite that, if a member of the judiciary sees fit to grant either a conditional discharge or an absolute discharge, nevertheless a certain kind of penalty may be imposed. I don't know how it applies in the case of the conditional discharge but surely, as a condition to the discharge, the type of penalty you are talking about would be that the judge would say, "Your licence is going to be suspended for a period of time, and while I give you a conditional discharge, this is the condition upon which I do it." Therefore, there is no necessity for your section under that context. The only thing that would really arise would be in the case of an absolute discharge.

I can't see how we can talk out of both sides of our mouths, saying on one side you get an absolute discharge and, on the other one, a penalty is to be served. Do you find no conflict in that mode of reasoning? Or is this simply a gesticulation towards getting tough and trying to prove to the world at large our machismo with respect to matters of highway penalties of all kind? If it's a posturing, then why not have it out in the open and let's say so? If it has real merit and will be efficacious in its operation and to one end, then okay. Standing here, I am not convinced of that, and I think you are going to have to make a bit more of a case than you have up to now.

Mr. Chairman: Does the hon. Attorney General have any comment? If not, the hon. member for Ottawa East.

Mr. Roy: Mr. Chairman, I think it might be quicker if the Attorney General would respond after we are all finished, because I think we are all pretty well concerned about the same area.

I am enjoying this debate in the sense that it is being discussed logically and coldly, and we are not getting caught up in emotionalism. I can recall that, a couple of years ago, every time we mentioned the objectivity or the worth of having sections that permitted judges to exercise discretion in terms of intermittent sentences, we were good for a couple of editorials in the *Globe and Mail* and in newspapers all over across the province, saying that we were soft on drinking drivers. I think the Attorney General will agree that the original intent of the intermittent term was to bring some kind of fairness into the sentencing process.

My colleague, the member for Sarnia, and the member for Lakeshore, as well as others, have mentioned that punishment must be made to fit the crime and that some discretion must be left in the court. I don't want to dwell on that, although there are some instances where an individual obviously is not punished as much by losing his licence as somebody else who loses his job. I don't intend to repeat that.

What does concern me is that not only is the discretion taken away on this point, as it was taken away—in fact, this matter was followed right up to the Supreme Court of Canada—between the provinces' mandatory right or the right given under the section to take the licence away where at the same time, under the Criminal Code, judges have the right to exercise the discretion and give an intermittent term.

It was very confusing to the public. I think that the authorities and the judicial process generally across this province really confused the whole situation to the point where people were saying, "Yes, the judge could give me a particular sentence," but it didn't work out that way because the registrar of motor vehicles would be pulling his licence anyway.

The province has taken a hard line, I suspect, because any time we talk about intermittent terms, we get slammed around and told we are being soft on drinking drivers. I don't think that's the case at all. But the province is going much further here, as the member for Lakeshore has mentioned, in the sense that the effect of discharge

provisions has been wiped out by section 3, subsection 4. Where it used to read that if a person was convicted, you now say that it's not a question only of being convicted, but if he pleaded guilty or was found guilty then he is considered to have been convicted. So the whole effect of the discharge provisions, the conditional and the other discharge, is taken away. We have to be concerned about that, and I think it is worthwhile discussing this situation.

As the law progresses along the way, we have tried, and I think all levels of legislation have tried, to get away from mandatory terms. We've got away from these mandatory terms in a period when we've had better and better appointments to the bench. The people accepting appointments to the bench have been more capable and we've put more faith in our judiciary than before. But here we seem to be taking retrogressive steps in that we're getting away from the discretion and getting involved in mandatory terms.

As our judiciary keeps getting better, we at the provincial level seem to be giving them less discretion. I think we have got to be concerned about that. The Attorney General, as one who has practised in the courts, has seen sometimes where mandatory sentences can do undue hardship. I can recall, for instance, under the Criminal Code, any offences against the post office involved a mandatory jail term of six months or something. That was unduly harsh because it involved a person who may well have taken one letter home one night when he was on a tear or might have been drinking or something or it could have involved another individual who had systematically been taking mail from the post office. In both instances, there was a minimum term of six months. In this case, a person may well be discharged. A judge exercising his discretion could give a discharge.

The basis of a discharge has been that the individual before the court is, first of all, not considered to have a criminal record; and secondly, is being treated by the court in such a way that we feel imposing a discharge, in the long term, is going to be to his benefit. Whatever the judge does at that level will have no application here because his licence is going to be taken away. I'm concerned about this and I'm glad we're discussing it in these terms with the Attorney General.

I don't think any of us here want to take a hard line and say civil rights are being flouted here by the government. But I think the Attorney General can see that we express a genuine concern about what happens once

you take this discretion away in all these instances by imposing mandatory terms. Really, we're doing this now because of public pressures. Everybody keeps thinking that the minute we talk about this discretion being exercised we're being soft on it and that actually we must be getting harsher.

I think there is an area of being harsher in imposing sentences for drinking drivers without necessarily always affecting a person's licence, especially when he needs his licence to earn his livelihood. There are other ways of doing it and I don't think we are exploring these enough; and I don't think we've put enough faith in the bench. As my colleague the member for Kitchener said, by trying to plug the gap between exercising this discretion too freely and moderation we take it away completely. This is not the trend that law has taken over the past few years. We're getting away from these mandatory terms.

I want to put on record my concern about proceeding in that area at this time. Under the Criminal Code, at least at the federal level, there seems to be some enthusiasm to give judges more discretion, whereas we at the provincial level are saying no. Especially when we consider that it's our provincial appointees who are most often imposing sentences, it is sort of ironic. The government appoints these people and they are supposed to be competent and so on. Yet at the time the federal people are giving them discretion, provincially, we are the people who are taking that discretion away.

There seems to be some inconsistency there. We should look at this and we should not get caught up in the tide of reading editorials and of people making comments when they don't really realize that we're not trying to be soft on people who are drinking and driving. We want to be as harsh as anyone else but there has got to be some justice.

We're talking about justice now, and it's not justice in many instances to have the same term for people in very different situations.

[4:00]

Mr. Reid: Mr. Chairman, it is rather interesting that I am the first member of the House to rise on this matter who isn't a lawyer, but perhaps I may tread where others won't. Hopefully I will be much briefer, but no less effective, than those people who have gone before in expressing my concerns pretty well along the same lines as they have been outlining.

As a provincial member one of the things I have a great number of constituents coming

to me about is their licences being suspended for impaired driving. I must say that in many cases I have been less than sympathetic with them, but on the other hand I must balance that with the fact that, particularly in my area—and I speak particularly of it but I think it would apply across the province—many people have to drive long distances to work. They are not necessarily truck drivers or cab drivers; they are construction workers or miners or people who work in the forest industry. Their livelihood is taken away from them for a three-month or a six-month period.

It seems to me we can temper justice and balance it with a little bit of mercy and charity by leaving discretion in the hands of the judges. I, too, feel that the Attorney General is surely able to give directives and we are able to lay down guidelines exactly as to how the intermittent licences should be given out. It not only affects the man in his work, it affects his family. The breakdown in the family and in society generally as a result of that discretion being taken away, to my mind, is not really what justice is all about in this report.

Again, I feel somewhat strongly that the carnage on our highways due to drinking drivers is something we have to come to grips with. I am not sure that doing it in this Draconian way—to use a phrase someone else has used—is necessarily going to stop the problem. Surely we can find a better way of doing it? I would like to say to the Attorney General that I would hope he would reinstate discretion in the hands of the judges.

I believe it would only be fair, equitable and just to balance the offence with some kind of discretion. My friend from Sarnia has pointed out that the law in this regard is somewhat unequal in that if a person who can afford to hire either a taxi or a chauffeur gets caught, it isn't much of a loss to him. But for those people who completely rely on their personal transportation for their jobs, it is a great imposition. It is a loss of their earning power. They are thrown onto public welfare, or some other backup of society for these people, but it leaves them idle. Often, the result of this is worse than the offence they committed in the first place.

I have been through the Criminal Code and as a non-lawyer, I am a little concerned about section 19, the conditional discharge. I can't satisfy myself in my own mind as to what section 19 does when you are taking away the discretion in section 3 of the bill. On the one hand, it seems to me, as a non-lawyer, the judges have discretion to do one thing in offences causing death by criminal

negligence—we could go all through the Act; I don't think that is necessary—yet in another case, which is a matter of impaired driving, that discretion and the same circumstances do not apply. I would like to support my colleagues by asking that the Attorney General reconsider and give the judges discretion in regard to intermittent licences.

Mr. B. Newman: I wanted to make a few comments on the bill because I can recall years ago speaking exactly to the point we are discussing today. I made mention at that time that I thought it was completely unfair to take the livelihood away from an individual simply because he was convicted of impaired driving. Not during the performance of his normal duties; it would be an evening operation; he happened to go to some type of function with his wife or alone and on his way home was stopped by a police officer and eventually ended up with an impaired driving charge against him. I thought it was unfair because at that time you were taking his livelihood away. If you, a lawyer, were caught impaired, we wouldn't take away your right to practise as a lawyer. We wouldn't do that to a doctor. If a doctor were caught driving while impaired, we wouldn't take his right to practise medicine away from him. Yet you treat the professional driver completely unfairly, because you are taking away his right to a livelihood.

I would hope, Mr. Minister, that you leave some discretion to the judiciary in this instance, so that they can weigh the merits of the case. I hold no brief for the individual who is caught driving while impaired while in the performance of his duties, such as a driver caught while he is driving professionally. I would even go so far as to take away his right to drive at that time, but if he were caught not in the performance of his professional activities, I think it is completely unfair to take the right of a livelihood away from that individual and have him thrown on to the good graces of the community and welfare and/or other benefits that he may be entitled to.

I hope, Mr. Minister, you will consider discretion in the case of this section.

Mr. Chairman: Does any other hon. member wish to speak to section 3?

Mr. Bullbrook: I might want to speak to it several times, but since we are in committee, I would like to hear the Attorney General right now.

Mr. Chairman: Does the hon. Attorney General wish to respond?

Hon. Mr. McMurtry: I must admit, Mr. Chairman, that my sympathy in relation to the vast majority of people who are convicted of impaired driving falls somewhat short of that of some of the members opposite.

Mr. Lawlor: Not when you were defending them.

Hon. Mr. McMurtry: While I recognize that there is a lot of good sense in relation to judicial discretion and giving judges as much discretion as possible, I should remind the members that the purpose of these amendments is, in fact, to give judges discretion that they do not have now, rather than taking anything away.

For some years there have been mandatory three- and six-month automatic suspensions as a result of certain convictions under the Criminal Code. As you know, these suspensions automatically follow conviction under the Criminal Code, and they had nothing to do with the exercise or non-exercise of judicial discretion. The matter of intermittent sentences was introduced into the Criminal Code a relatively short time ago, a matter of several years or a little better perhaps, and that was the first time that the issue of giving judges discretion with respect to these minimum mandatory suspensions arose.

The proposed amendment that is before the Legislature is, in fact, in relation to giving a judge a discretion to impose a greater sentence than the minimum insofar as the driving suspension is concerned, greater than that which is provided by the Highway Traffic Act under the automatic provisions, and of course in relation—

Mr. Bullbrook: That's like saying, "We have to kill you, but we are going to give you the option as to whether you want the electric chair or want to be hanged." That's the discretion you are giving now.

Hon. Mr. McMurtry: Not at all. In relation to the proposed amendments, in relation to giving a judge the discretion as to whether the judge wishes to impose a greater sentence, it's a matter of complete discretion for the judge. The section says that the judge may make an order extending the suspension of the licence.

Experience, and information that has been given to me, would indicate that the success of the intermittent driving privileges that were granted widely throughout the province for several years, prior to the decision of the Supreme Court of Canada, the history of that is not very satisfactory from the standpoint of discouraging people from simply drinking

and driving. What I would suggest—and I thought that this was what was originally suggested by the hon. member for Sarnia (Mr. Bullbrook)—is that the whole matter of judicial discretion as to whether there is going to be, in effect, any suspension at all—whether or not we retain these minimum periods is what we're really talking about—be referred to a select committee of the Legislature in order that we might have available to that committee all the available, necessary and relevant statistics which might assist the Legislature in coming to a proper determination insofar as these mandatory driving suspensions are concerned. I thought that was the suggestion of the member for Sarnia and I would certainly endorse it.

On the matter of conditional and absolute discharges I think there's some considerable merit in the suggestions or statements or submissions by the member for Lakeshore (Mr. Lawlor) in relation to whether or not a judge would wish to give an absolute discharge for a driving offence. The judge would obviously be expected to take into consideration the effect of such an absolute discharge in relation to any driving suspension. This is, perhaps, a matter which would be clearly considered by any particular judge trying the case.

It may be that the proposed amendments in relation to the absolute or conditional discharges are not absolutely necessary. Quite frankly I'm reluctant, on the basis of the information we have, simply to remove the minimum periods of suspension which for so long have been part of the Highway Traffic Act. I hesitate to suggest that is the proper course at this point in time, notwithstanding the very interesting contributions to the debate by members on all sides of the House.

Mr. Bullbrook: I wonder if the Attorney General would consider entertaining a response to the main burden of our comment with respect to what would appear to be an apparent inequity in all people being treated the same?

Hon. Mr. McMurtry: Inherent in any offence which carries with it a form of monetary punishment, of course, is an inequity because of the obviously varying abilities of people to pay—if we're talking about fines. You might argue the whole system of fines, in that respect, is inequitable because obviously some people are more harshly dealt with than others simply by their means or lack of ability to pay.

On the matter the member for Sarnia attempted to raise, which I did not raise initial-

ly, in relation to the greater onus and responsibility on a driver who requires a licence to earn his or her living, in my view they would normally be required to exercise greater care in protecting that privilege to drive. Whether or not my friends opposite would agree with me, I happen to be firmly of the view that when one considers the carnage on the highways every year the matter of driving should be considered strictly as a privilege and not as a right.

Mr. Roy: Agreed.

Hon. Mr. McMurtry: I don't think we should lose sight of that fact.

Mr. Roy: We don't.

Mr. Bullbrook: I am sorry. Is the Attorney General finished?

Hon. Mr. McMurtry: Yes. I don't think there is anything I can usefully add.

Mr. Bullbrook: This is a most interesting exercise and not just one of philosophy because I don't regard it as a philosophical argument. I want to say that I'm not going to respond to the Attorney General's comment that there resides a discretion in the legislation, because no longer is the judge forced only to a minimum of three or six months. If I did that, I'd be abrasive. If I were abrasive then he wouldn't look, perhaps with some favour, on what I am going to suggest to him.

That is, that he entertain, in the context of a minority government—because nobody wants to divide the House on a matter of this nature—the suspension of these sections until we are able to look, by way of select committee, into the implications of them.

[4:15]

I want to say this to him if I may: The position we take surely is going to entertain the wrath of the editorial writers of the *Globe and Mail*. I am sure it is. The most attractive aspect of this argument is to say that we want to do away with all drinking by drivers, and that is something I am not going to take issue with because that is one of those widows and orphans arguments with which you can never succeed.

I want to tell you something else too. I don't regard this legislation truly as the legislation of the hon. the Attorney General. I believe this is the legislation of the senior people in Transportation and Communications and some of the senior people in the Attorney General's ministry. I can understand their reason for wanting this type of legisla-

tion. Driver control is a very very difficult thing. It's something, almost, to be jealously guarded. In the past, I recall distinctly talking with the predecessors of the Minister of Transportation and Communications (Mr. Snow). When that discretion was being exercised perhaps with too great a degree of charity by the bench, people were sent out from the ministry in Toronto to the various judges and they were being told and educated in what the Ministry of Transportation and Communications wanted. They didn't want the exercise of that discretion.

I just cannot subscribe to the response of the Attorney General to, I think, the most pointed comments that have been made thus far. Those comments are those made by the hon. member for Kitchener (Mr. Breithaupt). What he says in effect is this: "Mr. Attorney, what you tell us is, if the discretion has been exercised too broadly, too liberally, therefore throw out the discretion." All we ask is don't throw out the discretion, because you can't overcome the argument that justice must meet the individual circumstances of a case. When you stricture a judge, either in assessing culpability or assessing what is a proper and appropriate sentence in the light of the individual circumstances, then you do justice no good.

That is the overriding principle as I see it. It comes down, as I said before, to a balanced scale. On one hand, you have the need for protection of society, and I subscribe and wholeheartedly support your views with respect to that need; but goodness gracious, we don't live in a system, I hope, where because of that need for society's protection we do away with what I consider some entertainment of the rights of the individual. Where is the right of the individual, the right to be judged on the basis of evidence and the right to be sentenced on the basis of the circumstances as they are dictated?

One of the intervening things over the years has been what now constitutes impaired driving. At least at one time you had some type of discretion to be exercised by the court, I put to the Attorney General, with respect to the question of culpability. That is almost gone because of what we have done for the protection of society already. We have said that we don't care what your motivation was and we don't care what your human frailties are. When you get to a certain reading on that machine, you are guilty. I want to say that, while I don't practise in the criminal courts as much as I used to, to extricate any clients of mine out of that objective evaluation, I found to be an almost

impossible task. I think it is important that the Attorney General listen to this, and I know perhaps that I go on too long and I apologize to you. The fact is that the federal government has for the protection of society in effect created what one can call a technical statutory offence; and because the courts don't have any discretion there, I suggest to now take a discretion away from them with respect to the implication of that technical statutory offence removes something that is almost ameliorative to me and very essential to me.

I hope that what would happen would be this—and I want to go this far to show, I hope, the integrity or sincerity I have in this respect that it would be far better that you permit a judge to say to a transport driver: "I am sorry, my friend, but you are going to spend every Saturday and Sunday for the next four Saturdays and Sundays in the jail away from your family, incarcerated, but you are going to keep your licence so you can feed that family."

As somebody else said here, the problem with this type of legislation is that it feeds upon a social tragedy. What happens is the fellow loses his job. He goes on welfare; he's not able to support his family; there's a disintegration of the family unit itself.

If we really are looking at justice to be done, then let's say that to him. Let's put some sections in this Act that make these offences more than quasi-criminal acts. If we really are sincere, let's say to the transport driver: "There is no discretion; you'll be given an intermittent sentence depending on the circumstances. And if you're given that intermittent sentence, the judge has the right also to incarcerate you forthwith or on terms that he sees fit."

That type of thing to me is what we want to put forward; and I'm not going to speak again on this section. I've appreciated the indulgence of the Attorney General. I'd much more appreciate—and I know he feels this personally—I'd really appreciate some reciprocity on his part.

Hon. Mr. McMurtry: Mr. Chairman, I would just again point out that these proposed amendments don't remove any discretion. What you're suggesting is that amendments be introduced that provide for a discretion in relation to the minimum periods that are already provided by the legislation and which are not affected one way or the other, really, by the proposed amendments, except for the absolute discharges.

I think what the hon. members opposite are doing—and I appreciate their reasoning—

is introducing an additional dimension into the amending legislation; and that is again to reintroduce the whole concept of intermittent licence suspension. The difficulties that I face, quite frankly, at this particular point in time, is I'm just simply not prepared at this moment to say either aye or nay; I, for one, would not state that the concept of intermittent driving privileges should be totally abandoned.

All the federal government did was just get out of the field. It wasn't a question of the federal government giving or taking away; they just simply said they were going to abandon the field to the provinces.

Now my difficulty, Mr. Chairman, as I've already indicated just a moment ago, if asked to introduce or reintroduce the concept of intermittent driving privileges as part of this amending legislation, is I just don't think I'm in a position to do that at this particular point in time.

It may be that everything has been said that can be usefully said this afternoon in relation to the wisdom or the value of intermittent driving privileges. I'm not stating that everything has not been said. But I think it's something that should be considered and that I'd like to consider further; which leaves us with the sections which are presently in the amending legislation.

I don't know whether there'd be any purpose in standing these sections down for the time being or not.

Mr. Bullbrook: May I question the Attorney General for a moment?

Hon. Mr. McMurtry: Further interrogation is required?

Mr. Bullbrook: No, no. Surely, I don't have that talent as far as you're concerned; I know that. I'm interested in this: Since basically these sections are under your care and affect justice, would you consider the possibility of putting them down to the standing committee on justice for discussion with the senior administration of both Transportation and Communications and your own ministry? Because really, this becomes a questions of how we see justice to be done.

Mr. Roy: Just to be of assistance, Mr. Chairman, as the Attorney General has said, it will not change very much, will it? I think the Minister of Transportation and Communications can confirm that. The mandatory sentences of three or six months are still on the books now. The only thing that we're really basically changing is in relation to, as

you've said, section 238; and then the question of the discharges so that the law would continue.

You see, our concern is to deal wholly and completely and logically with the whole problem. All of us, on all sides here, have to be very careful, because politically we're concerned about not only the problem as it exists but the reaction politically if we don't deal adequately with this problem. The fact remains that the Attorney General does give discretion, as you said, in fines. You give it in fines. The judge has a wide scope in fines, and you give him a discretion for anything over three months; but you just don't want to go all the way on the mandatory part of it. That's where we see some measure of logic missing, and so I think we would want to deal with it completely and be very careful, because I think it may well be necessary, in fact, that if there is some discretion considered for that mandatory term we'll have to look at special rules under which it can be exercised. If there is an abuse of that discretion, is that the reason we put in a mandatory term?

So I'm saying I think the suggestion by my colleague from Sarnia (Mr. Bullbrook) is a good one. We're not advocating any leniency toward people or towards drinking and driving. You know, you were mentioning that the short experiment of the intermittent term did not seem to have been that good. You recall when they made it obligatory that you blow into the machine, the breathalyser. You recall the guffaw about that from the civil rights people and the whole bit. You recall as well that this was going to be the answer to drinking and driving. After a very few years we all realize that there seems to have been an original impact but, subsequently, not too much concern. I suppose the next concern is going to be in relation to roadside tests. Everybody's going to get excited about that for a while and then back off.

So what we're dealing with here, and I think we all realize it, is not only a legal problem but a social problem as well. I think we want to deal with it fairly and objectively, and I think the suggestion of my colleague is a good one; the law will continue, and we just want to make it very clear that we're not asking for any more leniency toward people who are drinking and driving. All we want, all we're suggesting, is that there be some flexibility for some specific occasions so that, in fact, some individuals are not dealt with unduly harshly by mandatory legislation, whereas somebody else in a different status in life or different profession is not too concerned about the mandatory term.

Mr. Deans: If I were forced to vote on it right now, I think I would probably come down on the side of the law as it's written. But I've listened carefully to the comments made by a number of members—mostly lawyers, I must confess, and that bothers me a bit, but nevertheless—and I would really like if we could have further time to hear further arguments.

I've had the repentant driver on my doorstep, like everyone else, who just lost his licence and is about to lose his or her job because of it. My only feeling about the matter was that the chances are it wasn't that this was the first time they had been driving while they were drunk or seriously impaired, this was only the first time they'd been caught; which makes me then concern myself about all of the other times when they were doing the same thing and could well have been involved in a very serious, if not fatal, accident.

[4:30]

I do have some serious concern about the discretion that's being asked for. The reason I have that fear about the discretion is that, knowing that the courts are packed to capacity and that the judges are not hearing cases properly now, in my opinion, because of the administrative trivia that they have to deal with and because of the tremendous backlog and pressure that is upon them, it would be the person who was able to hire a very good lawyer who would get the discretion. Instead of it being an exercise of discretion, it would ultimately become an exercise of discrimination.

As I said when I got up, if I were forced now to vote, I would tend to think we should leave things as they are. But I would like to ask the Attorney General, given that there might be good arguments for giving discretion and that there might be new ways of exercising it, whether we could put it to the standing committee and give everyone an opportunity to provide some real good input into the discussion. I think that would be a sensible way to deal with it, rather than forcing us to make a decision here today.

Hon. Mr. McMurtry: Mr. Chairman, I would like to see the matter of the discretion in relation to the minimum suspensions referred to either the select committee or the standing committee on justice. The select committee, having been established for highway traffic safety, may be the appropriate forum. I want to make it clear to the members opposite that, I think, there is a considerable degree of merit in the arguments that have been put forward. I am simply not

in a position to come down firmly on one side or the other at this point in time, and I am sorry—

Mr. Roy: We understand that.

Hon. Mr. McMurtry: But I wonder if I might make the suggestion; that I am concerned about the fact that with the proclamation of C-71, a judge no longer has the right to impose, by proper exercise of his discretion, a greater penalty than the minimum mandatory penalty provided. I wonder if we could reach some sort of an agreement whereby the Legislature would consider passing part of the proposed amendments in relation to the extension of the suspension, which is clearly a discretionary matter, and I would be quite prepared to adopt the member for Lakeshore's (Mr. Lawlor) arguments in relation to the discharge, whether a conditional discharge or an absolute discharge.

In other words, we could eliminate the sections relating to the absolute discharge or conditional discharge, assuming that is a matter that the judges are going to take into consideration if they feel it is appropriate to give an absolute discharge; and of course one would expect if they are going to give a conditional discharge that the suspension would have something to do with the conditions that would be imposed.

What I am asking the members to consider is to proceed with section 3 and to eliminate subsection 4 of section 20; and, for the same reasons, it might not be necessary to proceed with an amendment to section 24 of the Act. Therefore, it would mean not proceeding with section 4 of the amending legislation.

Mr. Reid: Do we go ahead with section 19?

Hon. Mr. McMurtry: Section 19 is the warning section.

Mr. Deans: Wouldn't it be better to stand it down for half an hour and bring it back?

Mr. Reid: All that does is give them notification.

Hon. Mr. McMurtry: Section 20 is the notification.

Mr. Breithaupt: Perhaps it would be practical to stand down this section so that the advisers of the Attorney General could ensure that any necessary details were attended to. We could then have the section, as amended, later and proceed with other sections. That way we might pick up assuredly all the changes the Attorney General wishes to make.

Hon. Mr. McMurtry: That would be quite—

Mr. Deans: If that can be done in half an hour we can come back to the bill this afternoon.

Hon. Mr. McMurtry: We can perhaps proceed. The Minister of Transportation and Communications perhaps can proceed with the other sections.

Mr. Chairman: Does the committee agree to the suggestion that we stand down section 3 and that it be brought back and dealt with later in the committee?

Agreed.

Mr. Chairman: Proceeding with the clause-by-clause discussion, I understand that the Attorney General wishes to make comment on section 4. Does the hon. Attorney General wish to discuss section 4 at this time or will we come back to that?

Hon. Mr. McMurtry: No, that would stand down.

Mr. Chairman: We will just deal with the sections the Minister of Transportation and Communications wishes to discuss at the present time then?

On section 5:

Mr. Chairman: I believe there are two amendments to section 5; the hon. member for Durham East has an amendment to section 1(a) and the minister has an amendment to section 1(b). Does the hon. member for Windsor-Walkerville wish to discuss the generalities of section 5 before we place the first amendment?

Mr. B. Newman: Yes, Mr. Chairman. I want—

Hon. Mr. Snow: With all respect, should we not place the amendment so that the hon. member knows what he is talking about?

Mr. Chairman: Perhaps we should. Does the committee agree to what the minister suggests?

Mr. Moffatt moves that section 1(a) be amended by striking the words "when on a highway at any time" and substituting therefor the words "every motorcycle manufactured after June 1, 1976, and offered for sale in Ontario shall not have any switch or device to turn off the lights while the engine is running."

This is the amendment to section 1(a). I believe the minister's amendment is to section 1(b). Does the hon. member for Durham East wish to comment on his amendment?

Mr. Moffatt: Yes, Mr. Chairman. The purpose of the amendment is to accomplish much the same thing as the minister is attempting to accomplish—that is, to make sure that while motorcycles are operating on the road it would be possible for any other person to distinguish clearly between a motorcycle and a bicycle. That's obviously the problem right now. When either of those vehicles is approaching it's impossible to distinguish between the two, but one approaches at a much greater rate of speed than the other.

What I am attempting to do is to make sure that those motorcycles which are presently in existence, either owned and licensed by citizens of the province or owned as inventory in the dealerships and showrooms around the province are, so to speak, grandfathered. They will not have to have expensive renovations and modifications before the vehicles conform to the Act.

I have looked at a publication entitled *Cycle Age* which was given to me by one of the motorcycle dealerships. I want to quote two parts from it.

The first is that there is some confusion about when a person who is operating a motorcycle within the law has an accident. As this legislation is written, if that light had been on when the accident occurred and the lights were shattered, would it be necessary for the driver to prove subsequently that he had had that light on or would it be assumed that the light was on simply because he had a licence?

This is one of the difficulties that I can see emerging. It seems to me that what we should try to do is to bring in some kind of legislation which will accomplish the safety feature of having the light on and yet, at the same time, make sure it is practical and that we're going to gain the kind of public support that I'm sure the minister wants.

My amendment puts the onus on the manufacturers so that any vehicle which is offered for sale after the first of June this year will have to have that kind of device.

Hon. Mr. Snow: I hesitate to interrupt the hon. member but the proposal that he is making here has been law, federal law, since Jan. 1, 1975. It is not within our jurisdiction to change that. Since Jan. 1, 1975, motorcycles have been required to have this interlocking light-on device without a switch.

Mr. Moffatt: Mr. Chairman, that may well be. I thank the minister for the comment. I was not aware of that. The problem with

it is, obviously, the legislation which is before us poses 1970 as the beginning date.

I would like to quote further from the article that I mentioned earlier. The people who are involved in the business of selling and servicing motorcycles quite categorically state that older machines previous to those now being manufactured, are incapable of keeping that kind of charge in a battery which will allow the light that is required to be operated on a full-time basis. Obviously, if that is the case, we're going to have people either not conforming to the law because they can't, or people having to spend significant sums of money on modifications for these motorcycles in order to see that the law is adhered to. I don't think that is the kind of situation we really want.

The question of who is responsible in the event that a motorcycle is involved in an accident and the light is broken, is one which cannot be treated too lightly. I'm not a lawyer and I fail to find anybody who really can say, no, the motorcycle operator would not have to prove that he had the light on earlier. Nobody can give me a decision on that. I guess we will have to wait until there is a court case, and I don't like to wait for that kind of precedent to have to be established.

The other thing that I think is important is the whole business of the mechanical fitness of the motorcycles which are presently on the road. I don't think it is possible to insist at this point that all of those motorcycles which are presently on the road have the capability to have that light work at all times and visible from 500 ft. I can see what will happen if some person goes on an extended trip on a motorcycle in this province: the light will gradually deteriorate until, after five or six hours of constant running, the light will be just a glimmer. Will that person be conforming to the Act or not? Or will he stand a chance of being charged under this amendment?

I simply urge the minister to consider that. I support the idea of discriminating between a motorcycle and a bicycle for the protection of the cyclist. That has obviously been a very important feature of this legislation. All I'm saying is that what we're attempting to do in this legislation may not, in fact, be saleable to the public, and if it is not, then we have to go through that whole business of letters and contradictions and people saying we opposed it or we didn't oppose it, all of those things that have happened.

I remind the minister that a number of items which directly affect motorcycles have

been brought in in the last five years and some of those items are still the subject of hot debate among those people. At this point in time, I think we would be much better to insist that for present vehicles we have a very concerned educational campaign to have those lights on on a voluntary basis, but that the lights on motorcycles from 1976 on shall not be capable of being turned off. That seems to me to get around a number of problems which I think the legislation will face.

[4:45]

Mr. B. Newman: Mr. Chairman, I wanted to bring to the minister's attention a series of petitions that I received concerning this specific section of the Act. I don't know the merits of the petition, but I certainly think that it should be presented at this time and the minister can reply to it. This specifically opposes the idea of the lights being on a motorcycle at all times. Their petition reads, and it isn't lengthy at all:

Whereas it is mandatory under penalty of law in Bill 25 requiring all motorcycles to have their lights on at all times during operation, this imposes an unnecessary and unrealistic burden and liability upon the motorcyclist;

And whereas if automobile operators claim they cannot see an adult on a motorcycle, how will they be able to see an adult or see a child on a bicycle?

And whereas novice riders may get a false idea with the headlights on that other road users will be able to see them sooner, they may forget to ride defensively;

And whereas statistics have shown that mandatory laws on lights have not decreased accidents involving automobiles hitting motorcycles, therefore we respectfully urge that this section of Bill 25 be not passed, and furthermore suggest that the automobile-motorcycle safety problem may be solved by better education of operators of both machines.

The automobile operator can be educated to see and recognize motorcycles, not just as a headlight. Please consider the whole safety and not just enact legislation for the sake of legislation.

This petition was submitted to me by 105 different motorcyclists. Not being a motorcyclist myself, I have no idea as to whether there is any merit in the suggestion that they do make. I would like the minister to respond to this so that the people can know just exactly why this section of the bill is being introduced.

Mr. Chairman: Any other discussion on Mr. Moffatt's amendment?

Mr. Deans: Well, I would like to hear what the minister has to say about it before we decide if there is any other discussion.

Hon. Mr. Snow: Mr. Chairman, to respond to the two speakers who have spoken; As I mentioned, I do have an amendment to section 5, which I haven't yet had an opportunity to place, so I guess we have to deal with the amendment that is before us. As I have this amendment, it calls for every motorcycle manufactured after June 1, 1976, to have an interlocking switch to turn its lights on. But I just have to say that that has been the law for every motorcycle manufactured since Jan. 1, 1975. That has been the law for 18 months. So I cannot see putting an amendment on the books of the Province of Ontario to do something that has already been done by the federal government 18 months ago.

Interjection.

Mr. Deans: That really wasn't the intent.

Hon. Mr. Snow: I know the problem of the older motorcycles, and that will be dealt with by the amendment that I have already sent to the hon. member. I can't understand what is happening here at this moment. This amendment moved by Mr. Moffatt is already in force right now.

Mr. Moffatt: Mr. Chairman, if that is the case, as I said, I was not aware of that particular part of the federal section. If that is the case I will be pleased to withdraw that amendment. But what I am trying to do is to simply say to the minister that it is very important that that arbitrary date when motorcycles will have to conform be late enough that the people who have motorcycles in their possession will be able to conform without expensive modifications. I am aware of the amendment which the minister wishes to place. I will withdraw the amendment, if that is appropriate.

Mr. Chairman: Yes. The Chair recognizes that Mr. Moffatt withdraws his amendment.

Perhaps the hon. minister might wish to read his amendment to sections 1(b) and 1(d).

Hon. Mr. Snow: Perhaps I should try to comment, Mr. Chairman, to the hon. member for Windsor-Walkerville. The reason for this legislation is safety. A motorcycle is much more visible to another motorcyclist or

the operator of an automobile or a truck if the light is shining. The federal government brought in amendments to make it necessary, as I've already stated, as of Jan. 1, 1975, for a motorcycle to be incapable of being operated without the light on. When the motor is running and the motorcycle is in forward gear, I believe that automatically turns the light on.

Other jurisdictions have had legislation for a number of years requiring motorcycles to have their lights on. I understand some of the states in the United States have had this for quite a number of years. It had no provision for older machines, which many people tell me and have obviously told the hon. members opposite are not capable of continued operation with their light shining.

I understand from my officials that the Province of Quebec has similar legislation to this and has made no provision for the older vehicles and to my knowledge has not had any serious problems. But I understand, in talking to people representing the industry, that there is a problem. That's why I had the amendment to the bill which you have, Mr. Chairman, and I would suggest that perhaps you put that amendment. It allows for any vehicle manufactured prior to Jan. 1, 1970.

Mr. Deans: Why did you choose that date?

Hon. Mr. Snow: If you want to make it 1969 or 1971, I won't argue with you too much. We had to come up with a date. The industry people I've talked to claim there is no problem with 1970. If you want to make it Jan. 1, 1975, then I suggest we remove the section, because it's unnecessary. Every motorcycle since Jan. 1, 1975 already is shining its lights.

Mr. Deans: Since you have suggested that might be an appropriate way to deal with it, we would be prepared to accept that, if that's what you're suggesting. The problem with it is, that no one knows exactly what date to put on it. The only date that makes any sense is the date upon which the manufacturer was required to manufacture the motorcycle in such a way as to ensure that it couldn't operate without the light. When they were forced to do that, they were also forced to make the modification necessary to ensure the light would remain on and the bike would be able to operate. It's unfortunate that they didn't decide to do that in 1970 or 1971 or 1972.

I agree with the minister that it would be worth our while in the Province of Ontario

to have motorcycles run with their lights on. But since I can't tell you whether 1970 is an appropriate date, and since I do know from discussions with people who own bikes that many of the bikes do not operate in such a way as to generate sufficient power to maintain the lighting system for long periods of time and since it's difficult, particularly in the winter, incidentally, to kick them over all the time because it's a pretty hefty operation, wouldn't it make sense for us to make it the law in Ontario from 1975 on, which is what it would be in any event, and over the course of a short period of time all the old bikes would go off the road? We would attempt in the meantime to encourage everyone to use the light wherever possible and wherever it's practical. The end result would be that sometime in the not too distant future every bike in Ontario would operate, light on, as we would want it.

Is the saving in terms of life and property sufficient to justify, on the one hand, the expense? I don't know what it might be, because in some cases it might not even be possible to make the modification. Is the saving in terms of life and limb and health sufficient to justify the risks that are involved in someone having run all day with the light on, only to find when the darkness set in that they had used up all of the power they had and couldn't run the bike?

This is a serious problem. Let's be fair. If this person owns a bike and goes away for the day and on the way home dusk settles in—as it does every night in spite of the Conservative government—

Interjection.

Mr. Deans: It settles in every night. Does it make sense that we might then run the risk of that light not being sufficient to illuminate the road and to indicate the bike's presence because we had a law which said they had to run it all day? Let's use what's in existence. Steps have already been taken to guarantee that in the future the lights will have to be in operation so why don't we simply move toward that date?

I ask the minister because I can't find the answer. We have tried. We can't find when the cut-off date ought to be, so obviously the only one that makes any sense is the one by which the manufacturer was required to make that an integral part of the operation of the machine.

Mr. Philip: Mr. Chairman, I find it hard to understand what purpose the minister's amendment really serves. Attrition, surely, will take care of the problem?

One of the areas of safety I am concerned about is the whole aspect of driver education. Part of the key to the problem in any kind of driver education surely is the goodwill of those whom you wish to work with in the education programme.

The minister talks about other jurisdictions having introduced similar legislation. My only comment on that would be that if you looked through or even thumbed through some of the motorcycle magazines you can see that when such things have been introduced, it has certainly created a lot of anxieties and discontent among those motorcyclists. It has hardly prepared them or put them in the right frame of mind for the kind of safety education programmes and other safety programmes which I am sure the minister would like to see them involved in. I really see this as just more regulations—really unnecessary regulations which in a few years' time, will have served no purpose anyway since attrition will have taken care of the whole problem. They will merely create more hostility and anxieties among those using the vehicles.

Mr. Chairman: Would the hon. minister read his amendment so that it will be properly before the committee?

Hon. Mr. Snow: I thought you were going to do that, Mr. Chairman. The former chairman read the other hon. member's amendment.

Mr. Chairman: You can move it if you wish and I'll read it. If you move it, I will read it.

Hon. Mr. Snow: Okay, Mr. Chairman.

Mr. Chairman: Hon. Mr. Snow moves that subsection 1(b) of section 37 of the Act, as set out in subsection 1 of section 5 of the bill, be struck out and the following substituted therefor:

1(b). When on a highway at any time every motorcycle with a sidecar shall carry a lighted lamp in a conspicuous position on each side of the front of the vehicle, which lamps shall display a white or amber light only, and a lighted lamp on the rear of the vehicle which shall display a red light only. And that section 37 of the said Act be amended by adding thereto the following subsection:

1(d). Notwithstanding subsections 1(a) and 1(b), where a motorcycle that was manufactured prior to the first day of January, 1970, is operated on a highway, the lighted lamps required under subsections 1(a) and 1(b) shall be required only during the period from one half-hour after sunset to one half-hour before sunrise or at any

other time when, due to insufficient light or unfavourable atmospheric conditions, persons and vehicles on the highway are not clearly discernible at a distance of 500 ft or less.

[5:00]

Mr. Good: I would like to ask a few questions.

First of all, I can appreciate the problems which could arise with older vehicles which are operating simply on batteries. As has been mentioned previously, their lighting systems could very well run the batteries down during daylight hours and there would be no reserve for nighttime driving.

I am sure the minister has looked into the technical implications of this section and can answer these questions. Can he tell me: Is the problem with the older vehicles due to the fact that their lighting systems operate on batteries? Secondly, is the problem that the older vehicle does not have a generator or an alternator to recharge that battery?

If that is the problem, could there be some adjustment devised in the legislation to exempt any vehicle which does not have a generating system to regenerate the battery—if that be the problem—or which does not operate its lighting system with—what would you say?—a magneto arrangement so that the action of the engine generates the power?

If we are talking about year models some would be included which shouldn't have been included; some would be excluded which might well have the capacity to generate enough electricity to run the headlights as long as the machine is running. If that is the problem, should we not then be looking at the specific manufacturing capacity of the machine? That is, whether or not it can regenerate power with a generator or alternator, rather than the year and model?

I am thinking of snowmobiles. There is no problem because those machines which are electrically started have a generator; those which don't have electric starting systems have an arrangement whereby the power is generated by the machine. You can run them as long as you want and as long as the engine is going.

I presume the problem must be that some motorcycles do not have generating capacity. Why couldn't the exemption be made with that point in mind, rather than the year of manufacture?

Hon. Mr. Snow: Mr. Chairman, I would like to respond to that.

We have done a considerable amount of investigation on this—I have talked to people personally and my staff have—and we feel there is no problem with the date of Jan. 1, 1970. All motorcycles which are that new have adequate electrical systems to meet the requirements. I cannot, as I have mentioned earlier, come up with an exact date, such as some time back, say, in 1958 or 1954 or some time, after which time motorcycles would meet this. There are, obviously, I am told, older motorbikes which belong to antique clubs and others in private ownership—people have had them for a long number of years—which do not have adequate electrical systems. They have the magneto system which generates some power but is not adequate to keep the headlight burning continuously.

The reason we have established what may appear to be an arbitrary date of Jan. 1, 1970, is to try to bring a large segment of the motorcycle population under this law and give them the safety provided. It is not to create a tremendous hardship on those people with older motorcycles which is probably a very small percentage and probably many of them—especially the antique ones and the collectors' items—are not driven on the road that much; they may be on certain occasions.

I am convinced there would not be any hardship on anyone by the Jan. 1, 1970, date. Motorcycles manufactured since that time would have adequate systems. I understand there is a plate or some little marking on every motorcycle which says what the date of its manufacture is so it can be checked by the enforcement officer.

Mr Good: Mr. Chairman, on that point, the minister, I am sure, remembers when turn signals became mandatory on vehicles. It was then explained that if a vehicle was not fully equipped there would be no violation of the law. Could this section not be changed in some manner so that motorcycles which are not equipped by their method of manufacture to comply with this particular regulation be exempt?

Then it's a matter of the driver proving his bike can't maintain a light all day and all night if he has to run it for that length of time. In the same way, a driver would be exempt if he did not have turn signals as standard equipment. If a motorcycle doesn't have, as standard equipment, the capacity to produce light, whether it's made in 1972 or 1962, it shouldn't be required to do it. Maybe that would be a safer way of dealing with the problem than trying to set a date.

Hon. Mr. Snow: If one did that there would be no requirement—I don't think so anyway—on anybody to keep his motorcycle in operating condition. He could let the battery wear out and the generator wear out and he would be able to say, "My machine isn't equipped to keep the light burning."

Motion agreed to.

Section 5, as amended, agreed to.

Sections 6 and 7 agreed to.

On section 8:

Mr. Reid: On section 8, I wonder if the minister could give us a little clarification. I gather there's been a problem in this regard and I assume he feels this amendment is going to tighten it up in that the consignor is going to be a little more careful than he has been in the past. What is the relationship between the consignor and the hauler—you can't hear me? Many would say you're fortunate. Can you expand on section 8 and give us a little background on it?

Hon. Mr. Snow: Mr. Chairman, section 8 is when the shipper of a consignment of goods—it would have to be a full load consignment—knowingly gives a false weight. Basically, that is what it involves.

Mr. Reid: I am sorry?

Hon. Mr. Snow: If he knowingly overloads a vehicle, the shipper is responsible as well as the carrier for the overloaded condition. This affects all vehicles whether they are operating under the PCV Act or any other Act.

Mr. Reid: That's what I thought it probably was. It raises a whole host of questions, of course. I gather that prior to this the shipper alone has been fined if he's been caught. Has there been a shipper, an actual carrier—

Hon. Mr. Snow: The shipper and the carrier are two different people. The shipper is the consignor of the goods being carried. The carrier is the owner of the truck carrying the goods.

Mr. Reid: I realize that, but what I'm getting at is, I suspect there has been or will be some kind of collaboration between a consignor and a shipper in that they have, I suppose, in the past to some extent falsified weights and so on. Is this correct? Is this why we're doing this? Maybe it's a very technical, legal point but you're talking about knowingly causing a vehicle to be overloaded. How are you going to prove something like

that? How do you arrive at proving that, or is that a technical point we don't have to worry about?

Hon. Mr. Snow: Of course, to convict anyone of an offence you have to have evidence to prove it.

Mr. Reid: How do you do it?

Hon. Mr. Snow: If I am a dump trucker and you're operating a quarry and I go in and pick up a load of crushed stone in your quarry, I drive over your scales, you weigh my truck, find I'm overloaded and let me go on, you have the weight slip right there in your possession, you know what my truck is licensed to carry—supposedly you do if I am operating for you—you knowingly then contributed to the overloading. That's one example.

There is another example where a shipper has a large crate of goods, one box of goods, and he calls a carrier and he says, "Send me a truck to carry a 24,000-lb crate from A to B." The carrier sends an appropriate truck licensed to carry 25,000 lb or whatever the box may weigh, or a little more—there's a little leeway. The carrier goes, picks up the box, lifts it up with a crane and dumps it on his truck, and he goes down the highway, and he finds out when he goes over the scales that the box doesn't weigh 25,000 lb, it weighs 35,000 lb. It then becomes a little bit more difficult to prove whether the shipper knew what the crate weighed or not.

I am not saying that it's a common practice, but I am quite sure that some shippers would falsify the weight of a crate or something like that, where it's very difficult to find out the weight, because they would be saving themselves a few dollars in shipping costs. This is a matter that has been discussed with the Canadian Manufacturers' Association, the Industrial Traffic League, the trucking association; I think everyone recognizes the problem and agrees that there should be some responsibility on the shipper.

We will come to another section relating to this later, where I have an amendment.

Section 8 agreed to.

Section 9 agreed to.

On section 10:

Mr. Chairman: Hon. Mr. Snow moves that clause (b) of subsection 3 of section 70(a) of the Act, as set out in section 10 of the bill, be amended by striking out "escort vehicles of" in the first line.

Hon. Mr. Snow: This is strictly a mechanical amendment: It's a misprint in the bill.

Motion agreed to.

Section 10, as amended, agreed to.

Section 11 agreed to.

On section 12:

Mr. Chairman: Hon. Mr. Snow moves that clause (a) of section 80(a) of the Act as set out in section 12 of the bill be amended by inserting after "limits" in the fourth line, "for weight other than actual unit weight." And by striking out "74, 75 or 76" in the fifth line, and inserting in lieu thereof "74 or 75."

Mr. Moffatt: Mr. Chairman, I think the amendment that the minister has proposed makes a good deal of sense. What I hope happens with this amendment is that it will, particularly in the aggregate industry, place the onus upon the pit operators to weigh the vehicles on the same basis as the government inspection stations weigh those vehicles.

As I am sure the minister is aware, what happens is that a vehicle is weighed on a platform type of scale at a gravel pit and then may well be within the law in the gross limit and as he gets to a government inspection station he finds that he is in fact outside the law, because he will have a different weight on the front axle than he was supposed to have, and a different weight on the back axle. The problem, of course, is that the load does shift and this has been a continuing problem. It is interesting to note that when materials are purchased by the Ministry of Transportation and Communications they are purchased on gross weight, yet when fines have been levied, they have been levied on an actual weight basis, so this does clear up that contradiction.

I hope that communication will come from the ministry to the pit operators informing them of the relative merit now, with this amendment, of installing bridge scales rather than platform scales at those locations. It's going to be very, very important that the operative word in here, "knowing," is adhered to, because it seems to me it's still possible that a pit may continue to weigh on a platform scale and escape the penalties provided in this Act by saying it did not know that was the problem. I think the legislation goes a long way in correcting that inaccuracy that did exist in the past.

[5:15]

Mr. Chairman: Does any other member wish to comment on the minister's amendment? If not, the minister.

Hon. Mr. Snow: I want to correct any misunderstanding that the hon. member who just

spoke may have. This amendment does not require the shipper to be responsible for actual weight; it calls for the shipper to be responsible only for gross weight, because I think the carrier, who knows his own vehicle, must take the responsibility for distributing the load properly.

The hon. member spoke only about aggregate—

Interjection.

Hon. Mr. Snow: Go back to that 25,000 lb crate that I mentioned a few moments ago; the position of that on the flatbed trailer will greater affect the axle weight. I don't think the shipping clerk or the shipper should have the responsibility for positioning that crate. I think the driver of the vehicle has to say, "You put the crate so and so. That would then fall within my axle limitation." This does not require the shipper to be responsible for the axle weight; only the gross weight.

Mr. Moffatt: A question Mr. Chairman. Given that situation, and the fact that the operator of the vehicle is going to be the person who has to determine the placement of the load, and in a case of a hard, solid crate or something like that, a piece of machinery, that is obviously the place where the operator of the vehicle will have to say "Put it here not back there," so that the gross weight will pertain.

But in the case of an aggregate hauling vehicle, which I mentioned in my comments earlier, what will determine whether the gross weight of that vehicle is within the law if the pit from which the vehicle is removing the aggregate maintains only a platform scale and does not use a bridge scale?

Hon. Mr. Snow: Mr. Chairman, I think the operator has to know a little bit about the positioning of his load. He's not just hauling one load; he's hauling a dozen loads, or 20 loads, or five loads a day, and the operator of the vehicle very soon knows the centre of gravity of that load of sand or gravel, or where his truck should be positioned under the chute when that load is deposited. If he's going to be half asleep at the chute and be two feet or four feet too far back when he's being loaded and get his load too far to the front, then I don't know how we're going to help that fellow.

Mr. Moffatt: Just one final comment, Mr. Chairman; the loading of dump trucks at pits with aggregate chutes is not done all across the province. In areas east of Metro,

most of those gravel pits are operated with a mechanical loader or crawler or something like that, and it depends on the operator, who is an employee of the pit. The placement of the load is determined by that person operating the shovel, or the backhoe, or front-end loader, or whatever it might be. In that kind of situation, without the use of axle-weight scales, the operator of that vehicle is obviously going to be at a disadvantage. He's going to say that's where the load should go, and then he depends on some operator of a piece of equipment in the yard, an employee of the pit, who may or may not follow his loading directions. Then the load shifts; how do you get around that problem?

Hon. Mr. Snow: I happened to spend a number of years doing a little bit of driving of dump trucks and I don't know what the member means when he talks about loads shifting. I've had a few arguments with truckers over that. I've never had a load of gravel shift on me yet. I recognize that in many cases the loading is done by front-end loaders, backhoes, shovels, conveyor belts, or I suppose it could be shoveled on by hand as far as that's concerned. But the driver of that truck still has to be the best person to know whether his load is properly balanced or not.

When you get into another area, where the trucker is hauling from an excavation or hauling rubble from a torn-down building, obviously there are no scales and in that case I think the shipper cannot be held responsible for overloading, because there's no way he would know that truck was overloaded. In that instance, if a trucker was stopped and his truck was found to be overloaded, I think it would be very difficult to show that the shipper knowingly overloaded that truck. I don't think we're going to be able to pin down the shipper in every instance, but this is something that certainly has been asked for by the trucking industry.

Mr. Chairman: Shall Mr. Snow's amendment to section 12 carry?

Motion agreed to.

Section 12, as amended, agreed to.

Sections 13 to 16, inclusive, agreed to.

On section 17:

Mr. Chairman: Hon. Mr. Snow moves that subsection 1 of section 120a of the Act, as set out in section 17 of the bill, be amended by inserting after "person" in the second line, "16 years of age or older" and by striking out "or authorized" in the second line.

Mr. Worton: Mr. Chairman, I wish to express my appreciation to the minister for giving consideration to the proposal that the Guelph Safety Committee made in regard to section 17. I contacted Officer Peacock just after receiving this amendment from our critic, the member for Rainy River (Mr. Reid). They still express concern about the age of 16 years being there, because they tell me there are students who act on this patrol who are in what I guess you would call senior schools and they have suggested they would rather have it as 18 if possible.

They feel that striking out "or authorized" has taken care of their objections that it would be mandatory that everybody would be there. But they would prefer to see the age from 16 to 18.

Mr. Chairman: Does any other member have any comments?

Hon. Mr. Snow: Mr. Chairman, there was no intention of this being mandatory in the bill before the amendment. We want to continue and to support the system of having boys or girls on school patrols; but while 14-year-olds may be very capable of standing on the curb and holding the younger children back until there is a break in the traffic—that is their role—we don't feel someone who is not authorized to drive a vehicle should be able to walk out in the centre of the road and hold up a sign and create an offence against a licensed driver. That is why the age of 16 has been chosen. But there is nothing that would indicate that school patrol boys who are 16 or 17 would have to do that; they would only do that if they were instructed to do it by the school board or the municipality.

Mr. Worton: The thing is, Mr. Minister, that they want to be assured that their school patrols don't go out into the middle of the street and they would like it extended beyond 16, because as they interpret it this could still mean that a person 16 years old could be put in this position. They want to guard against that, and I think your explanation of last Wednesday perhaps was clearer than the one you have just given.

At no time did they want the school patrols going out into the street directing traffic; they just want them to stand at the curb. While it was only a quick conversation I've had with the traffic officer, he still feels that 18 years would be more safe than 16, so that they will be adequately protected; or at least there will be adequate safeguards so that this won't happen.

Hon. Mr. Snow: First, I would like to say that the school patrols are not employed to my knowledge.

Mr. Worton: They are going to be authorized.

Hon. Mr. Snow: We've removed the word "authorized" from the bill. It only includes people employed by the boards of education or the municipality as those who would have the authority to use the stop sign to stop traffic. If they properly use the proper sign and someone goes through it, then that's an offence the same as if they go through a stop sign at the corner.

Mr. Worton: That is fine. I would appreciate that.

Hon. Mr. Snow: I think all your concerns have been looked after.

Mr. Kennedy: I just want to ask the minister a question. As I understand this, it now gives school crossing guards authority to stop traffic which they were doing before, presumably without the authority of a statute. Does the power to stop traffic give them the power to lay charges or request that charges be laid; or is this equivalent to a stop sign that is on a street now and the penalty is imposed by some other method? Could you clarify that point?

Hon. Mr. Snow: No, this does not give the school crossing guard the authority to lay a charge. It states that the sign will be prescribed by regulation and will have to be a certain size and have certain size lettering on it to resemble a normal stop sign presumably. If school crossing guards hold that sign in the middle of the highway, as they do now, and someone whizzes by them, that is an offence. But it is up to a police officer to lay the charge, not the school crossing guard.

Mr. Breithaupt: In that regard then, that charge would be laid no doubt on an information from the crossing guard who has made a note of the licence plate of the vehicle that has passed him. Is that the usual approach?

Hon. Mr. Snow: I wouldn't think so.

Mr. Breithaupt: How else would it come to the attention of the authorities?

Mr. Kennedy: It is the same as a stop sign.

Hon. Mr. Snow: Someone has to see the person go through the stop light. If you have a stop sign at the corner now, going through that stop sign would be the same offence as going through this mobile sign held by the school crossing guard.

Mr. Breithaupt: In this circumstance, the fact that your mobile sign has a memory and

could lay an information is not your expectation. I understand, then, that if a police constable happens to be in the vicinity and sees this thing, it is up to the police constable and there is no burden or expectation on the school crossing guard to be the informant in the case. Is that correct?

Hon. Mr. Snow: I believe the school crossing guard could lay the complaint or a citizen could lay the complaint, but he would have to be able to give evidence and to identify the driver. Getting the licence number of the car, to my understanding—perhaps I should confer with my legal brains here—does not identify the driver.

Mr. Breithaupt: I was just wondering what your expectations were?

Hon. Mr. Snow: My expectations of what will happen are that the school crossing guard holding up this mobile sign makes it a legal stop sign. It really would be the duty of a police officer to observe someone going through the sign, stop him down the road, get his licence number, identify the driver and lay the charge. But I don't see how the school crossing guard watching the children get across the road, though he might conceivably get the licence number of the vehicle, will have any chance of going and stopping the vehicle and identifying the driver.

Mr. Mackenzie: I am not sure this is not a little bit of a weakness in it. It would seem to me that it's not the same situation as a stop sign on the corner. It may be technically, but for somebody out there as a school crossing guard with that sign in his hand—he may very well be in the middle of the road—if somebody is going to go whizzing through, to me there is a little more weight to that than there would be to a post on the side of the road. I would hope the police would act on a complaint laid if they did get a description and the licence plate of that car.

[5:30]

I don't think you can say it is exactly the same thing as a stop sign. To me it would carry a little more weight if somebody is out in the middle of that road with that sign in their hand. As I say, I am not sure of the legalities of it but certainly I would be concerned if somebody ignored that kind of a stop sign, particularly with a crossing guard.

Hon. Mr. Snow: Certainly we are concerned and that is why we are making it an offence. As I understand the present situation,

if a person drives through the stop sign being held by a crossing guard, even if a policeman were standing there watching it happen, he could not make a charge stick because it is not recognized as a stop sign.

I think certainly if a custodian or school crossing guard observes someone drive whizzing by they are going to get the number if possible; they are going to report them to the police if there isn't a police officer there. The police officer is no doubt going to go and investigate the situation and the person might admit guilt, "Yes, I did drive through." But if the person says, "No, I wasn't driving the car at that time"—I don't know how the police officer is going to prove to the judge that a certain individual was driving the car at that time even though he has as a witness the school crossing guard who says, "Yes, it was MPP 020—or whatever it might be—which went through the lights."

Mr. Moffatt: A brief question, Mr. Chairman. Will the proposed amendment apply equally across the province without reference to speed limits under 30 or under 50, that sort of thing? Will the enforcement of this Act be comparable to the school bus stopping bylaw?

Hon. Mr. Snow: It only applies to areas where the speed limit is 40 miles per hour or less. It is right in the bill.

Mr. Chairman: Shall the amendment to section 17 carry?

Motion agreed to.

Section 17, as amended, agreed to.

Mr. Chairman: Is there anything before section 20 of the bill? If not, I believe the Attorney General indicated he had a comment on section 20.

Sections 18 and 19 agreed to.

On section 20:

Hon. Mr. McMurtry: I don't know whether it is necessary for me to comment, Mr. Chairman. Section 20 simply provides for a warning to be read to any person who is charged with certain offences. It is something which doesn't change the substantive law but just provides an additional warning for people who have not had the benefit of a warning before. It doesn't change the law; it is something which perhaps should have been in the legislation some time ago.

Mr. Chairman: I am sorry, there was a prior commitment, I think, from the Attorney General, that you would revert to sections 3 and 4. Was that your understanding?

Hon. Mr. McMurtry: Yes. I have consulted with representatives of the parties opposite and we agreed, as I understand it, to proceed with section 3 of the amending legislation, which amends section 20 of the Act, but eliminating subsection 4 thereof.

Mr. Chairman: Do you have an amendment?

Hon. Mr. McMurtry: I am sorry; I haven't.

Mr. Breithaupt: You will wish to renumber them, I think, Mr. Chairman.

Hon. Mr. McMurtry: It will need to be renumbered, of course. Subsections 5 and 6 would have to be renumbered.

Mr. Chairman: What sections do you want deleted?

Hon. Mr. McMurtry: We just want to delete subsection 4 of section 3 of the amending Act, which is subsection 4 of section 20 which has been substituted therefor.

Mr. Chairman: Hon. Mr. McMurtry moves that subsection 4 of section 3 of Bill 25 be deleted and that subsections 5 and 6 be renumbered accordingly.

Motion agreed to.

Mr. Chairman: The hon. minister has another—

Hon. Mr. McMurtry: In section 4, I wanted to amend—

Mr. Lawlor: Mr. Chairman, on a point of order. I have a few more remarks to make on section 3.

Mr. Chairman: Section 3; the hon. member for Lakeshore.

Mr. Lawlor: On section 3, reference is made in subsection 1 thereof of section 20 to numerous sections which have been modified or changed in the Criminal Code for the purposes of the record basically. Particular emphasis has been made to a new section 234, subsection 1, I guess—it looks curious—which is a new section having to do with a check by a police officer on the spot; roadside testing. I was wrong before when I was speaking about the matter.

In the interim I've seen the section, and it has to do with a specific testing device that can be used to test breath samples or blood at the side of the road. If an individual exceeds the 0.08, then he can be taken off the road right there and then. That's a highly beneficial section, I've no

objection to it. I just thought it should be mentioned, though. The question I have arising out of it is, does such a device exist in Ontario now?

Hon. Mr. McMurtry: No. Various devices are being looked at, and to my knowledge no device has as yet been approved. I'm also informed there is a device that will likely be proved and designated as a proper roadside testing device within the near future. But I'd be very happy to advise my friend, the member for Lakeshore, as a matter of interest, when such a device has been approved—but it has not yet been approved.

Mr. Lawlor: It does interest me and I suppose a great many citizens enormously. In the kind of fluctuations and extremes of weather that we have, I would have real doubts about the scientific certitude of that type of device—rather than in the moderate and even temperatures of the present device testing mechanisms of the various types of police stations. But in extreme cold and extreme heat I would just wonder how any fluid or any type of chemical crystals would be able to operate in all weathers—but I suppose that's the problem. Otherwise I'm okay.

Section 3, as amended, agreed to.

On section 4:

Mr. Chairman: Hon. Mr. McMurtry moves that section 4 be amended by deleting subsection 2 of section 24.

Hon. Mr. McMurtry: This means that the reference to subsection 1 will simply be deleted because there will be no necessity for it.

Mr. Lawlor: Mr. Chairman, it's the same thing over again. The section as written is pleonastic, redundant and unnecessary, on the grounds that I gave when arguing previously that it seems to be a bit of a contradiction to have an absolute discharge and then impose penalties on top of the total discharge. We won't go over the whole argument again; it's in the sections later on.

Curiously enough, in this kind of offence, under section 24 here, it has to do with driving while under suspension, I think individuals in this context and in these circumstances who do defy the law to the extent of driving—and there are an awful lot of people in this category now driving while they are under suspension—ought to be subject to an additional discretionary penalty on the part of the judiciary. Far from trying to give any alleviation under this head, utilization of this section with the full weight that is

brought to bear, with the extra six months tacked on top simply because of defying this law in this particular way, seems to me to be an altogether good provision.

Motion agreed to.

Section 4, as amended, agreed to.

Section 18 agreed to.

On section 19:

Hon. Mr. McMurtry: There is another amendment which has been drawn to my attention, Mr. Chairman.

Mr. Chairman: Hon. Mr. McMurtry moves that section 19 be struck out and sections 20, 21 and 22 be renumbered accordingly.

Hon. Mr. McMurtry: It really is complementary to subsection 4 of section 20, as contained in section 3 of the amending legislation.

Motion agreed to.

Section 19, as amended, agreed to.

Sections 20 and 21 agreed to.

Bill 25, as amended, reported.

NIAGARA ESCARPMENT PLANNING AND DEVELOPMENT AMENDMENT ACT

House in committee on Bill 9, An Act to amend the Niagara Escarpment Planning and Development Act, 1973.

On section 1:

Mr. Chairman: Mr. Swart moves that section 1 of Bill 9 be deleted.

Mr. Swart: Mr. Chairman, I spoke on this bill when it was given second reading and expressed the concern on behalf of my party that this was an attempt to downgrade the preservation of the Escarpment; that it was an action taken to give developers and promoters more opportunity to develop the Escarpment and perhaps extend the pits and quarries operations and, in various ways, destroy the nature of the Escarpment and the intent of the original bill.

Since I spoke on second reading, we have had further evidence to justify this contention. We have had tabled a so-called proposal for planning in Ontario which, by every measurement, has meant that the provincial government is going to take less responsibility for preserving the agricultural land and the natural assets of this province.

Also since I spoke on that bill there has been a report in the paper that the Ministry of Treasury, Economics and Intergovern-

mental Affairs will be broken up and the planning section of that ministry will be abolished. It's another indication that planning generally is being downgraded by the provincial government. That report, which was in the Globe and Mail on about April 12, states:

The urban and regional affairs branch of the Ministry of Treasury, Economics and Intergovernmental Affairs will be broken up under a still secret reorganization proposal. The changes will fragment the branch which has been responsible for preparing and implementing development plans for the province and planning major projects such as new cities. They also come at a time when the direct provincial role in planning for future urban growth is being de-emphasized.

I am not sure whether by leaving this under the control of TEIGA, there will be any planning actually done in that department but certainly there won't be under the Provincial Secretariat for Resources Development.

Rather than being assured that we are transferring it to an area where it will receive less planning control—and there certainly is evidence that the government wants to bypass its own planners not only in the Escarpment area but in many other areas of the province, including the preservation of good agricultural land—we will run the risk of leaving it where it is.

There might be some merit in having this transferred to Housing. However, because of the statements of the Minister of Housing (Mr. Rhodes) with regard to his lack of concern for preservation of agricultural land and in view of his letter to the regional municipality of Niagara, that as far as he is concerned they can keep on with the development of good agricultural land and the old pattern for lease tenures, I don't think there is much use in transferring it to the Ministry of Housing either.

We oppose this on the basis that it is being moved to downgrade the preservation of the Escarpment land.

Mr. Deans: To tell you the truth there is no one there you could really transfer it to with any confidence.

Mr. Foulds: Lorne Maeck.

Mr. Chairman: Are there any other comments on the member's amendment?

Mr. Deans: We don't need any other comment.

Mr. Swart: Just put it in the bill.

Mr. Norton: In the absence of any comment from anyone else, perhaps I could at least respond briefly to the amendment of the member for Welland-Thorold (Mr. Swart).

Mr. Deans: We don't need any other comment.

Mr. Norton: I'm particularly impressed by what strikes me as the lack of coherence in the reasons he has attempted to put forward in support of his post amendment. If anything else, he seems to have been carried away by the form of the proposal—

Mr. Foulds: He has been associated with us—

Mr. Norton:—and looking at such things as the names of secretariats and so on without looking at the substance of the matter.

Mr. Swart: The commission is being taken out of a ministry which has planning responsibilities.

Mr. Norton: He has relied upon a newspaper report. However desirable he may think the substance of that report might be, certainly up to this point as far as I'm aware—and I don't know which newspaper he is talking about—it may not be the most reliable source of information upon which to base an amendment.

Interjections.

Mr. Norton: The other thing he ought to bear in mind is that, as I think he is aware, the Escarpment Commission has now been well established. It's now at the point where it is carrying out the preparation of its plan. It's a stage where the considerations are mainly policy considerations, which clearly come within the purview of the policy secretariat to which it is intended to transfer it. He spoke of a couple of ministries that he might prefer to see it transferred to and with some degree of scepticism seemed either to cast doubt upon them or cast them aside. I would point out to him that he ought to consider the fact that all the ministries he has cited as possible alternatives are also part of the same policy secretariat and come under the general co-ordination of the same provincial secretary. Housing is part of that secretariat, Agriculture and Food is part of that secretariat, the Ministry of the Environment is part of that secretariat and Natural Resources is part of that secretariat, all of which are clearly ministries that have an interest in the kind of planning that is necessary in the planning—

Mr. Swart: The Escarpment Commission won't be reporting to those specific ministries.

Mr. Norton:—of such an undertaking as the Escarpment. It seems to me to suggest that it ought to be left within TEIGA overlooks the fact that the planning has now reached the stage it has, that it ought to be more closely co-ordinated with the policy of those ministries that are part of this secretariat and that the transfer that is being proposed is both very logical and desirable at this stage of the development of the policies with regard to the Escarpment.

Mr. Chairman: Those in favour of section 1 standing as part of the bill will please say "aye."

Those opposed will please say "nay."

In my opinion, the "ayes" have it.

I declare the amendment lost.

Section 1 agreed to.

On section 2:

Mr. Norton: I have provided copies of an amendment to section 2 to the representatives of the two parties opposite.

Mr. Norton moved that section 2 of the bill be amended by adding thereto the following subsection:

(1) Subsection 5 of section 5 of the said bill is amended by adding at the end thereof: "and may designate the chairman as an employee and the commission as an employer for the purposes of the Municipal Employees Retirement System Act, and that the present section 2 of the bill be renumbered as subsection 2 of section 2.

Mr. Swart: If my interpretation of this is correct, we have no objection to this. In fact, it seems to follow naturally after the changes in OMERS and is intended to do the same thing; that is to permit the chairman to be enrolled in the OMERS system. It seems reasonable, and we have no objection to it.

Mr. Good: I have a question. What is the purpose of singling out the chairman—and, of course, then all the employees would naturally be covered under OMERS? But why the chairman and not other members of the commission? Now, generally speaking, we have permitted elected councillors to be covered under OMERS; but if I'm not mistaken, this could well be a precedent in having an appointed person covered under OMERS. Is he a full-time employee of the commission as well as being chairman? Or, why do you single out the chairman as being eligible for coverage under OMERS?

Mr. Norton: Mr. Chairman, if I might just have the indulgence of the House for a moment. The employees of the commission are public servants, of course, and are covered under the public service legislation, not OMERS. The other members of the commission, I have just been advised, are not covered. Now, I cannot answer the question as to why that is the case. I can say that at the moment the specific amendment that's being considered arose from a situation where the particular individual in that position has up until the present time been a participant in OMERS, and this was intended to permit a continuation of that participation.

Obviously, we're not going to complete dealing with this piece of legislation this afternoon. I think the matter that has been raised with respect to other members is something that ought to be checked into in the interests of consistency and fairness. I'm not sure what the answer is, but I will certainly

be in a position to advise the House upon our return.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed; Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of the whole House begs to report one bill with amendments, one bill without amendments and asks for leave to sit again.

Report agreed to.

Hon. Mr. Welch: Mr. Speaker, just before you announce the supper adjournment, when we reconvene at 8 o'clock this evening we will go back to the first order and carry on for the rest of the evening on budget debate.

The House recessed at 6 p.m.

ERRATUM

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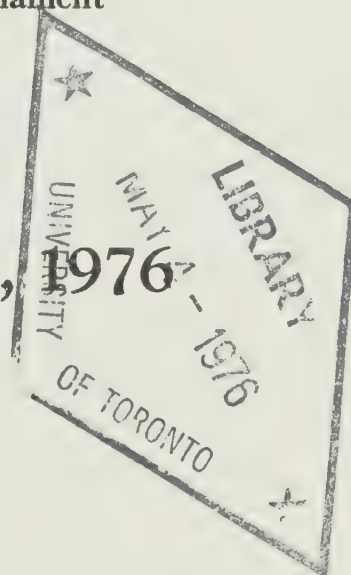


Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, April 20, 1976
Evening Session



Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 20, 1976

The House resumed at 8 p.m.

THIRD READING

The following bill was given third reading upon motion:

Bill 56, An Act to amend the Dead Animal Disposal Act.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE

(continued)

Hon. Mr. Parrott: First of all, Mr. Speaker, I want to make mention of the great event we left tonight to arrive here punctually at 8 o'clock. I had the great honour of having three whips accompanying me from the Ontario Dental Association's annual dinner. I can't think of having dinner with any finer people. Not only that, I have one representative from the county riding association—that is, the dental association—here in the gallery with me tonight.

Mr. Foulds: Going to talk about dental care tonight?

Hon. Mr. Parrott: I didn't think I would talk about dental care tonight. Somehow or other there is another subject on my mind.

Before I do make any remarks in that regard, Mr. Deputy Speaker, I haven't had the opportunity in this session, as the other speakers prior to this occasion have had, to congratulate you and, through you, the hon. Speaker. I think we have been well served in this House not only by the Speaker but his deputies. We are indeed fortunate to have that kind of impartial decision-making.

I really want to give up most of the time I would normally use to talk about the great riding of Oxford to speak about a matter of great importance to myself. That is the industrial training council.

Before I make those remarks, I think I should say one or two things about Oxford county. We do have a few problems but I am sure that, by and large, they are very small. It is an excellent county. It probably represents, as well as any riding, the backbone of the history of this province. It has a great heritage in the agricultural community and I think it has justifiably earned that reputation over these many years. I think there is one area of the riding of Oxford which deserves a special mention and that is the town of Tillsonburg, primarily because it has a unique situation in that it borders four ridings and sits on the extremities of three counties. It makes a unique situation for an aggressive community and certainly Tillsonburg is just that.

Mr. Renwick: One of the members of our research staff comes from Tillsonburg, too.

Mr. Speaker: Order, please.

Hon. Mr. Parrott: Yes, there are some excellent people who come from Tillsonburg. There is one thing I hope this House and the appropriate minister might consider for that area and that is a co-ordinator of our social services. I think Tillsonburg does not have many of the services, on a direct basis, that other municipalities might have. I think it would be an ideal community in which to consider the appointment of a co-ordinator of social services. I won't speak at any great length on that but I think it's an opportunity to prove that perhaps what we need as much as anything is more adequate utilization of the services presently available in this province.

With those very few brief remarks, I would like, if I might, to address this assembly on a subject matter related to the industrial training council.

Several weeks ago I had the pleasure of announcing the creation of a new advisory body, a council which will have a major role to play in an area of post-secondary education. It is one which will have, in my opinion, much greater importance in the days that lie ahead for the people of this province.

The advisory body I refer to is the industrial training council and its jurisdiction in

that field which, for the lack of a better term, is commonly designated industrial training. That this government believes in and supports industrial training is a point which should be stated from the very outset. The creation of the industrial training council is evidence of the recognition that is attached to business- and industry-based training exercises as a valid alternative to traditional institutionalized career education.

The industrial training council was not created merely to acknowledge the importance of industrial training. It has become evident to me, as the minister responsible for Ontario's involvement in industrial training, that we require the counsel and advice of a senior level advisory body, one that has an honest feel for Ontario's industrial training needs so that we can ensure that our future programmes and policies will recognize and meet these needs.

In the past, many people have shared the popular belief that on-the-job training is essentially a vehicle for the so-called blue collar occupations. This may have been so at one time but not today. While apprenticeships and other training schemes have long been employed with great success in areas traditionally associated with industrial training—such as the construction and motor vehicle repair trades and the manufacturing industry—on-the-job training now thrives in a wide variety of settings. Service, sales and clerical occupations, where occupational demand is growing rapidly, are well served by industrial training methodologies. Such training is, for instance, applied in areas ranging from photography, commercial art and floral design to other areas like social work, commercial flying and paramedical occupations.

Historically, people have looked to the provincial government to meet their needs in education. Provincial jurisdiction in this area is clearly established in section 93 of the British North America Act. Our role in the training of doctors, dentists and engineers has been taken for granted for years. Regrettably, less acceptance has existed in the past for our parallel responsibility to train people in the vocational skills that are increasing in demand today. Training for vocational skills is as important to the individual and to the province as is training for the so-called professions. The provincial government has a direct responsibility to ensure that vocational skill needs are met. I suggest that industrial training will be an increasingly important tool in our future efforts.

Mr. Renwick: We agree with the reassertion of provincial authority. At least I do.

Hon. Mr. Parrott: Good. The acknowledged need of business and industry for people well versed in the skills required by ever-changing occupations and technologies certainly isn't an overnight development. In the past, our Colleges of Applied Arts and Technology have played a pre-eminent role in meeting our skill training requirements through programmes that were largely institution-based. They are continuing to expand in the industrial training field and will certainly provide a major source of skilled individuals for Ontario's work force in the future.

But a question we must now consider, in the light of current and social economic conditions, is whether there is a desirability of alternative training modes to complement our institutional offerings which we have relied upon previously as our principal focus for skill training. While our institutions will remain in the mainstream of things, I believe that the time has come for us to consider the alternatives. In this regard, the potential of a truly efficient and economical training alternative, such as business- and industry-based training, demands our attention at this time.

The forces that shaped the colleges in the first place, the so-called knowledge explosion, and the corresponding demands created by the development of new technologies, new industries and new services, are still very much with us today. Indeed, few would not be prepared to admit that today's skills and techniques might very well be obsolete tomorrow. Change is the inscrutable X-factor that makes long-range educational planning so difficult and indeed, at times, so dangerous.

Some would say that we are already reaping the fruits of poor planning when we see that half of the unemployed in this country are young people between the ages of 15 and 24. Ontario community college graduates have been extraordinarily successful in finding employment, but what about those who leave school with skills that aren't quite so immediately marketable? With the technologies of businesses and industry changing so rapidly, can any but the most well-endowed educational institutions honestly hope to provide actual job-rated experience within the school capable of matching that available in industry? Even now, is a purely institutional setting the best one for imparting technical skills, let alone the life skills so necessary for successful employment? And what about those who, for one reason or another, reject school entirely as being irrelevant to their personal needs and aspirations? Somewhere there seems to be a gap between school and

work that isn't being bridged as effectively as it might be. I suggest that in industrial training we have a tool capable of narrowing that gap considerably.

The rapid economic expansion that characterized the 1960s and the early 1970s in Canada, and in Ontario in particular, has presented us with other problems. The unprecedented growth of business and industry and the accompanying need for skilled individuals dried up much of the reservoir of skills that existed at one time in our work force. We are now confronted with the anomaly of high unemployment at a time when many employers are faced with dire shortages of skilled staff. It is no secret that many companies raid their competitors for the cream of their employees. People now change occupations with much greater frequency than in the past, as a multi-career philosophy becomes more necessary in the light of the changing structure of the labour market.

[8:15]

In addition, individual attitudes to work vary much more than, say, a decade ago. As a result of these changing conditions and attitudes, business and industry are often reluctant to do their own skill training. Unfortunately, they are not always able to obtain benefits from doing so that will offset the cost incurred. If an employer trains an employee who then leaves to work elsewhere, the training benefits go to new firms, not to the one bearing the direct cost. However, these benefits are not lost to the individual trained or to society as a whole. So it would seem that government has a legitimate role to play in fostering skill training that satisfies both the needs of the employers for capable, productive employees and of society in general for marketable skills that yield dividends in terms of job satisfaction, personal fulfilment and monetary rewards.

The value of industrial training cannot be challenged, nor can be denied the growing need for innovation and imagination in the application of this training concept. In the light of the changing circumstances in which we find ourselves today, these facts are self-evident. I do feel, however, that the rationale behind the establishment of the Industrial Training Council requires further elaboration.

The government has made an explicit commitment to the operation and maintenance of post-secondary educational institutions in Ontario. No one is about to deny the legitimacy of that commitment. The very name of my ministry, the Ministry of Colleges and Universities, is representative of the traditional emphasis afforded institutional education and

training in this province. While the ministry includes a college affairs and manpower training division, its manpower and industrial training activities have been in many cases largely supportive of the significant federal thrust under the Adult Occupational Training Act. We have maintained, it is true, a legitimate leadership in the areas of curriculum design, training standards, training evaluation, and trainee certification in all sponsored industrial training conducted in Ontario.

Any in-school elements of the industrial training programmes are conducted through the Colleges of Applied Arts and Technology established and operated by this province. The administration of the Apprenticeship and Tradesmen's Qualification Act and the registration, training and certification of Ontario's 26,000 apprentices is a major function of our industrial training branch. The fact remains, however, that the federal presence in industrial training is indeed a major one. Industrial training in Ontario today is almost wholly funded by the federal government, and the training purchased is directed at meeting needs that are identified in large part by Ottawa.

While we certainly don't question the legitimacy of these needs, other areas have been identified where very real training needs do exist. Because they don't meet the eligibility criteria established for the federal programmes, these needs will not be met unless the province is prepared to step in with a response of its own. A recent example of such a response would be the Ontario career action programme, where we are taking positive action in an attempt to meet the career needs of unemployed youth. Through this programme, 1,050 unemployed young people are being taken into government and given relevant work skills and experience, so that they may be more successful in finding private sector employment. The preliminary results of this programme are encouraging, and we hope to extend such an internship scheme to business and industry—

Interjections.

Mr. Renwick: That's only a stop-gap operation.

Mr. Speaker: Order, please.

Mr. Makarchuk: What are you going to do with the 4,000 nurses that are coming on stream?

Mr. Speaker: The hon. member for Oxford will continue.

Hon. Mr. Parrott: —to business and industry, if ultimately proved successful. Concerns expressed to this government by the Ontario Chamber of Commerce were responsible in large part for the inception of the career action programme.

It was the need for concerned, informed counsel such as this, from a provincial rather than a federal perspective, that prompted me late last year to commission a review of past and present advisory inputs to government on our institutional training needs. This review indicated that several significant and recurring areas of concern have been identified over the years in the industrial training field. Reports issued by the select committee on manpower training in 1963, the General Advisory Committee on Industrial Training in 1968, the Economic Council of Canada in 1971, the Commission on Post-Secondary Education in 1972, and the task force on industrial training in 1973, all pointed to certain potential deficiencies in Ontario's post-secondary offerings.

The reports were unanimous in recommending that alternatives to formal, institutionalized education and training be expanded. The reports recommended the provision of innovative programmes designed to meet the needs of the community, particularly those of business and industry, and at the same time to meet the career needs of individuals. A need for better labour market information and analysis was identified for education planning and career counselling and better provincial co-ordination of the training activities was also recommended.

The major theme of the report on post-secondary education was the need for the development and recognition of education and training to have a diversified base. In terms of content, learning locale, learning goals and learning modes, the report noted that training in industry for industries' own employees and for others, constitutes the major alternative to college and university-based post-secondary education.

Of equal importance was the recognition that the largest group in need of education through these alternative modes are early secondary school leavers and those who, after job experience, face a change in occupation through choice or circumstance. I accept and acknowledge these concerns.

Mr. Renwick: They should be related to colleges.

Hon. Mr. Parrott: And they will be. They will be.

Mr. Renwick: It is important.

Hon. Mr. Parrott: The report of the task force on industrial training, commonly referred to as the Dymond report, agreed in principle with the COPSE report in observing that:

Undoubtedly, training-in-industry has a positive role to play in manpower programmes. There are many valuable occupational skills that could be developed effectively through in-industry training and at a lower cost than through institutional classroom training. For many occupations, a mix of in-industry and classroom training is the most effective and least costly method. Also, for many older workers, training in industry may be more effective than institutional training.

One of the shortfalls of the industrial training described in the Dymond report is the capacity of employers to undertake the task of job analysis, curriculum design and the organization of training programmes. To overcome this, it recommended that government's role in industrial training should focus on several factors, and I would like to list them.

Setting out public policy in developing programmes to aid and co-ordinate the efforts of employers and unions in training their own work forces. Promote training in industry as a means of learning occupational skills. Provide occupational guidance and placement services. Provide funds for employers and training allowances for employees when such support is clearly in the public interest. Providing technical aid for industry in training methods and techniques or in organizations, curriculum development and programme evaluation. Providing industry with an information service, such a service to include a manpower information component and an inventory of existing agencies and programmes related to training in industry. Providing a system for the accreditation of graduates of training-in-industry programmes. Providing standards for training in industry in instances where uniformity in skill and knowledge attainment is in the public interest. And, lastly, making college plants, facilities and staff available to employers and unions on a reasonable cost basis to the extent that these are required to supplement those available within industry.

Many of the specific recommendations of the Dymond report have been implemented and have proved beneficial in the context of our existing industrial training programmes. After soliciting and considering the views of business, industry and the public, I have decided that it would be inappropriate to implement other recommendations of a more controversial nature.

At the present time I have no intention of proposing the abolition of compulsory trade certification as the Dymond report recommended, unless the Industrial Training Council should very strongly recommend it to me.

Mr. Foulds: You are speaking as the minister now, not as the hon. member for Oxford.

Hon. Mr. Parrott: That's true.

With regard to industrial training advisory services, the Dymond report proposed extensive changes to the existing structure of curriculum and to standard-oriented apprenticeship committees and to local training advisory groups. It is here that the creation of the Industrial Training Council responds specifically to the spirit and the intent of the Dymond report, and to that of the other reports which preceded it as they pertain to the future of industrial training in Ontario.

Each report had similar views on the nature of the problems to be faced. However, recommendations on their own resolutions were varied. All of the reports agreed on one step, though. They all documented the need for effective senior level advice to reflect the views and needs of the various economic and social sectors of the province which have a stake in industrial training.

At present our formal industrial training advisory network consists of 27 provincial advisory committees appointed under the Apprenticeship and Tradesmen's Qualification Act. These committees are constrained by the Act to dealing with "the establishment and operation of apprentice training programmes and tradesmen's qualifications." They have played and will continue to play a very important role in the development and refinement of our apprenticeship activity. Prior to the Industrial Training Council, however, there has never been a senior co-ordinating body to advise on industrial training in its totality within the framework of an overall Ontario manpower policy.

After considering the Dymond report, I felt that the changes recommended with regard to our present advisory structure did not go far enough to meet today's needs. Because the present structure is concerned solely with apprenticeship its scope is narrow and its impact limited. In the future, the Industrial Training Council will serve as my senior advisory body on industrial training and will be afforded the same consideration as the Council of Regents for the Colleges of Applied Arts and Technology and the Council on University Affairs in university matters. Within its own jurisdiction its man-

date will be as broad as those of my other two principal advisory committees.

Mr. Renwick: Is the minister going to introduce legislation about this?

Hon. Mr. Parrott: We will not have legislation on it. The industrial council chairman has been named; the 14 members on the committee will be named, I hope, within two weeks.

Mr. Renwick: They won't have the same status then.

Hon. Mr. Parrott: They will have the same status as an advisory body.

Mr. Renwick: Maybe to the minister but not to the public.

Hon. Mr. Parrott: That is correct in one instance, not correct in the other.

I am convinced that the creation of a body such as the Industrial Training Council has been long overdue. I am also convinced that this council, with its focus on a field which has a relatively untapped growth potential, has a very major role to play in shaping the future face of post-secondary education in Ontario. How should the council then acquit itself in this role?

[8:30]

Given that training in and for the labour market is a primary concern, I am asking the council to examine the various alternatives and complementary elements of industrial training—co-operative training in the apprenticeship mould, on-the-job training, adult institutional training—and to consider their present appropriateness in view of such factors as the structure of our work force, labour market demands, individual aspirations and the effects on training programmes and initiatives of such uncontrollables as labour agreements between employers and employees.

I ask the council to provide co-ordination and leadership for the many splintered inputs from various sources that reach government as mutually exclusive proposals.

I ask that the council provide advice and leadership regarding programmes and initiatives for the labour market adjustment of secondary school graduates, early school-leavers and others who continue to swell the ranks of the unemployed.

I ask the council for recommendations relative to industrial training, on geographic or community strategies and on the servicing of particular client groups with special needs.

Mr. Renwick: Does this help the trade union movement or destroy it?

Hon. Mr. Davis: Neither.

Hon. Mr. Parrott: Neither is correct.

Mr. Renwick: Neither? Have you consulted with the trade union movement about it?

Hon. Mr. Parrott: At great length and, I would like to report, with a great deal of assistance from them and I think with a great deal of co-operation.

Mr. Renwick: I hope we hear more about it in the course of your address.

Hon. Mr. Parrott: The hon. member will hear more about it the day that council is appointed.

An hon. member: Keep them in suspense.

Hon. Mr. Parrott: All right. I ask the council to recommend new training legislation for Ontario in light of the widest inputs, ensuring that the public, industry and work force interests are represented.

I ask the council to examine information on future labour requirements provided by such agencies as the Federal-Provincial Manpower Needs Committee, the Ontario Ministry of Labour and the Ontario Manpower Co-ordinating Committee, and to advise on appropriate industrial training strategies.

I ask the council to determine standards for industrial training, where uniformity in skill and knowledge attainment is in the public interest.

I ask that the council make recommendations on the integration of federal and provincial industrial training activities under the Adult Occupational Training Act.

I ask the council to advise on the use of various training systems and delivery modes to ensure that industrial training is used dynamically in support of overall provincial manpower and employment objectives.

Finally, I ask the council to examine and make recommendations on the appropriateness of provincial government proposals on participation in job creation measures proposed by the federal government.

I am fully aware that the assignments I have assigned to the Industrial Training Council are formidable ones. Each is fraught with its own particular set of complex concerns, and will require much consultation, consideration and hard work if we are to ensure that our industrial training response meet the challenges now facing us.

As we continue to re-evaluate our educational priorities, we might do well to remember that change in democratic societies does not generally recognize the massive shifts of institutions and of organizations, but relies upon more modest adjustments. I see the Industrial Training Council as being a nucleus for such change, and I see a responsibility for this government to encourage its growth and development to afford it the strength it requires to move into new fields.

I have asked the Industrial Training Council to take the initiative in stimulating such growth and development in the areas I have outlined; I ask them now to be innovative and creative in their efforts. I have full confidence that they will be, and I can assure this House that this government will support the council in every way possible in its future efforts.

Mr. Mackenzie: First, I want to welcome the Premier into the House. I'm sure it was because he knew I was going to speak this evening.

Mr. Kennedy: For you to start or for you to finish?

Mr. Roy: That is very sneaky, making a point to recognize him.

Mr. Mackenzie: I want him to know before he does leave that I think it's a lousy budget, and just about lousy enough to ensure Liberal support in this House.

Mr. Peterson: Sit down now and you'll be all right.

Mr. Mackenzie: I'll get back to that in just a few moments.

Interjections.

Mr. Mackenzie: I want to take just a moment to observe, I guess, some of the niceties and that's also to add my congratulations, along with everyone else, to the Speaker and the Deputy Speaker.

Mr. Peterson: Don't strain yourself to add niceties.

Hon. Mr. Davis: And the Treasurer (Mr. McKeough).

Mr. Mackenzie: Eisd do bhevl. I find their job is a difficult one and I appreciate what they've done with it. I think they're doing a good job on it. This House is not always the easiest House to control, I can see that relatively early as a new member.

Mr. Roy: Speak for yourself. Speak for your own party.

Mr. Mackenzie: I also want to say that as a new member I entered this House with a little bit of concern and worry as to whether or not I could do the job that every member wants to do or tries to do for his constituents, and in terms of looking at the legislation that we have to deal with in the House. I don't mind admitting that I worried a bit about it at first. I suppose you'll always worry if you're really honest about it, but let me tell you, the worry really ended the first or second day in the House after the first day's formalities when we got into a little bit of hassling and I recognized once again who the good guys were and who the bad guys were, and it wasn't too difficult from then on.

Hon. Mr. Davis: There's a guy who really understands himself.

Hon. Mr. Bernier: He should be a leader.

Mr. Mackenzie: I want also to take just a moment to mention my predecessor and say one or two things about the riding. Many of you know Reg Gisborn, and most of you, I think, will be happy to know that, after I guess a total of eight or nine operations now since it started two years ago, Reg is finally coming around a little bit. Just yesterday I was talking to both Reg and May, and you know he's getting a little bit better when some of that sarcasm of his comes back and he starts needling you a little bit about what you have done or haven't done in his riding. Reg can now take everything, I guess, but a good steak or something that's pretty heavy, down through his mouth and enjoys his food and is beginning to get his taste back, and his voice is coming around too.

Mr. Peterson: He better enjoy it now.

Mr. Mackenzie: He passes on his best wishes to the many people he served with for some 20 years in this House, and I'm now doing that. I'd like to mention just briefly my riding, Hamilton East, a riding that I'm proud of. It's had a pretty good record. Mind you, our party is not that old a party in terms of the Canadian political tradition, but I'm proud of the fact that Reg held it for 20 years, that Joe Easton held it before that, that it was the first riding in the Province of Ontario to elect a CCF member in 1934, and that's a pretty good tradition.

Mr. Peterson: Shame. Shame.

Mr. Mackenzie: It's quite a tradition, and it's had some representation that would be

pretty hard for some of my Liberal friends to match.

Mr. Roy: Don't you worry, you will break the tradition.

Mr. Mackenzie: It's also a riding that is probably a microcosm of all of the ridings in this province. It's a riding that is essentially working-class people; as a matter of fact, almost entirely. The ritzy areas of the riding are relatively few. It's a riding of hard-working people who are pretty proud of the fact that they work and work hard, whether it be in the steel mills or the rubber plants or the glass plant in Hamilton in the east end.

Mr. Moffatt: Control the member for London Centre.

Mr. Samis: The rabble-rouser from London.

Mr. Mackenzie: It is a riding that recognizes the needs and the problems of working people. The riding, while it has a large area of highrises developing and a growing ethnic population, is still basically a riding of homeowners. That adds, I think, a little additional pride to these people, both in their jobs and in their homes. It's a riding, therefore, that's interested in what happens in this province in the field of labour, and I want to deal with that for a few moments. It comes from affiliation, from working since I was 15 in the labour movement, and not from being taught by anybody we have to hire in our caucus.

Mr. Renwick: Nice to see the member for St. Catharines (Mr. Johnston) here.

Mr. Moffatt: It's an effort, Bob.

Mr. Makarchuk: Are you still strapping in the pumpkins?

Mr. Mackenzie: Labour is something that we are a little bit worried about right now. I want to talk as clearly as I can about a few things and I want to review some of my remarks. I also want to plagiarize a little bit and use some of the remarks that were made by Lynn Williams, the director of the steelworkers union, in a recent speech. I want to talk as clearly as I can on some of these issues. I think we are all aware of the confusion and controversy that surrounds the union-management relationships in the province right now. It is difficult to keep an open mind and maintain some real perspective in this area. In any relationship between individuals and between institutions, people sometimes regret some of the things that they say thoughtlessly. I want to use a couple of examples.

The Postmaster General declared his employees were not patriotic citizens for going on strike in this country last year. The Ontario member of the Anti-Inflation Board says that he doubts the leaders of the unions are in touch with their members.

I think we have seen in this province vicious and incessant attacks on various groups, and I am picking out particularly the Metro Toronto teachers, who are accused of being greedy and selfish.

Some of these attacks have been carried out by people, media people, business people—

Mr. Haggerty: Like David Lewis a couple of years ago.

Mr. Mackenzie: —who in most cases are making one heck of a lot more than the teachers who are involved; sometimes several times the wages of the teachers.

I don't think that the labour movement, not just the teachers, but the industrial unions, the service unions, can ever be accused of concealing their wants and their desires. In part, it's because of the very process that we go through, and I have been through it a number of times, the collective bargaining process. It is one in which the communications are very open. When those in more fortunate positions than wage earners press their demands they do it a heck of a lot more quietly than the union member will do.

In the 18 months up until last August, the nickel corporations that the steelworkers negotiated with—International Nickel, Sherritt Gordon, Falconbridge—raised their prices five times for a total increase in world prices of 44 per cent; price increases which I think we all recognize will have serious impact as they work their way through the entire world economy.

Mr. Moffatt: Tell Jean-Luc Pepin about that.

Mr. Mackenzie: He knows about it, and a lot of other things that he doesn't move on too, but that's typical Liberal. Yet, these price increases, and this is the point I want to make, caused hardly any reproach or any reaction in our community at all.

Mrs. Campbell: He's jealous.

Mr. Roy: You have got to have an open mind.

Mr. Moffatt: He does.

An hon. member: A hole in the head is what he has.

Mr. Mackenzie: It is very difficult, if you have gone through a few sets of negotiations with Ford or Stelco, to have an open mind. I would ask, how much reaction have we had to this kind of increase—five times, 44 per cent in 18 months for International Nickel? Maybe it is because these particular corporations don't have to bargain in public, set their demands out in public, and maybe they don't throw picket lines around the union halls or a consumer association.

Hon. Mr. Davis: You are going to nationalize them.

Mr. Mackenzie: I don't think it is necessary.

An hon. member: Look what you did to Hydro.

Mr. Speaker: Order, please.

Hon. Mr. Davis: You are getting them well trained.

Mr. Mackenzie: If the Premier wanted to pursue that issue he would have no real problem with the workers, either at Stelco or International Nickel, in that particular area. But the workers there happen to be smart enough to know that that is not necessarily the route we have to take.

An hon. member: Tell us about Dofasco.

Mr. Mackenzie: It should be understood in these days of discussion—

Mr. Peterson: Well then, why don't you pay some attention to it?

Mr. Foulds: Why don't you?

Mr. Mackenzie: —about big corporations and big unions, and I think this is an important point, Mr. Speaker, that the unions have no involvement in the establishment of prices. [8:45]

Interjections.

Mr. Mackenzie: They have made some attempts over the years, but they have always been advised in no uncertain terms that prices aren't the business of the workers who negotiate their contracts; that prices aren't negotiated. Prices are demands that the corporations make on our society; they are not negotiated, but the people have to pay them.

When it comes to working Canadians and their income, the rules seem to change a little. Their needs or demands have got to be bargained, as I said earlier, in the public eye. I have no complaint about that. To me, it's an essential part of the process, really what a democratic way of life is all about. But it

is the kind of openness that should apply to the other sectors of society as well—something my friends on the left and across the way always seem to have difficulty understanding—

Mr. Shore: We never have.

Mr. Roy: Explain it to us.

Mr. Mackenzie: —as do these corporations that exercise a much more basic kind of power than does the labour movement. It's part of what we mean when we talk about the need for some social responsibility in our community. What do we in the labour movement really mean or really want? Well, we want more; that's obvious. Any worker worth his salt does. That implies to almost everyone else, I think.

Mr. Riddell: Even Elie wants more.

Mr. Mackenzie: Obviously, we want to get rid of this insane war on labour that's going on right now—a war that most of us who have been in the trade union movement feel very strongly is a real attack on the whole process of free collective bargaining. It is an attack on workers' income, and if it is not stopped pretty soon, it is going to create real problems in our society.

Mr. Roy: You should talk to Ed Schreyer.

Mr. Mackenzie: But the fact that the war is on—that the labour movement feels it is necessary to prepare itself for a struggle like none it has engaged in before, other than the struggle of its very creation—underlines, I think, the concern that many people feel.

I wish that there was more attention paid by everyone to the benefits of collective bargaining between employees and employers. I wish there was more explanation provided by our news media about why employees organize and why in rare times it's necessary that they withdraw their services. I wish there was greater understanding of the economic forces underlying the collective bargaining arena.

I have been in a position where I have had to help workers make this decision. I suppose it was my committee and my department that pulled out the Ford office workers in 1949 in the first office workers' strike in this country. And if you think it's easy to deal with office workers and to have them take that kind of a position, let me tell you they have got to be goaded by the slowness and the unfairness of the whole collective bargaining system before they will make such a move.

Instead of understanding what's happening to workers in the plants, we have a declaration that collective bargaining is the culprit for the increases that we have had, and for the inflation—and this is in spite of the fact that wage increases inevitably trail behind price increases. I have never known a set of negotiations yet where we have not been in a catch-up position or bargaining to catch up with an inflationary spiral in our country.

Mr. Peterson: What ever happened to productivity?

Mr. Mackenzie: Well, there's an interesting point about productivity. The labour cost per ton of finished steel in the mills of Stelco has gone down for 11 consecutive years. But every time we have negotiated a contract in that mill, the argument of management has been that the increased cost of labour is the reason the company has got to go after increased prices. It is pretty difficult really to justify some of the statements.

Mr. Peterson: Nationalize them!

Mr. Mackenzie: Incidentally, I am glad there is a little more opposition around. It is much better than the temporary leader of the Liberal Party we have at the moment. Is what what he's called?

Mr. Samis: The interim leader.

Mr. Mackenzie: I think he is undercutting his leader. He didn't work out too well.

Mr. Foulds: Batman and Robin. "The Dynamic Duo."

Mr. Mackenzie: In the two years, 1973 and 1974, average weekly wages and salaries paid in Canada rose 21.8 per cent but were overtaken by the cost of living, which went up 22.7 per cent. It meant in real dollars that the value of wages and salaries declined. While this was going on the slice of the economic pie going to wage earners was shrinking. The percentage of net income going to labour declined from 1971 to 1974 and although it recovered somewhat in 1975, it is today no higher, as a percentage, than it was in 1969. I don't know how we relate that to the inflationary problem we have.

The inability of government and private industry to create more jobs only reinforces in the minds of working people the need to secure income now. The working Canadian can't afford to wait for tomorrow; he can't afford to bank on the government's hopes for lower inflation rates next year or the year after. The car payment is due now. I

understand it; I'm making one and I'm sure others are. The rents and the mortgage payments are due and the sons and the daughters want the opportunities to go to college and university.

Canada has one of the worst unemployment rates in the world among the industrial countries and this is one of the things that bothers me most about the budget—the lack of any concrete action to try to deal with it. There is no right to a job in our province or our country—

Hon. Mr. Davis: It is so much better in the UK.

Mr. Mackenzie: The Premier could also use some other countries, maybe Sweden, as an example. We found less than two per cent unemployment there.

An hon. member: It's a hell of a lot lower than this government's.

Mr. Mackenzie: Also, I don't believe that in the UK it's above that of Canada. There are fewer than 100,000 job vacancies in this country.

Mr. Makarchuk: What's the unemployment rate in Saskatchewan or Manitoba?

Hon. Mr. Davis: Very low.

Mr. Makarchuk: Yes, compared to Ontario.

Mr. Kennedy: It's improving in British Columbia.

Mr. Mackenzie: Many of the vacancies are only for part-time work. We have something like seven times the number of people looking for work as there are jobs available, including part-time jobs, in our country. I might say the jobless statistics the government is juggling with don't reveal the entire dimensions of the unemployment crisis. The statistics don't say how many have given up looking for work; they don't say how many are underemployed and who have taken jobs in which they cannot use their talents for the benefit of the economy. The unemployed statistics don't even count the unemployed among our first citizens in this country, the Indians and the native people.

Most of our effective people working in the welfare departments will tell us—the ones I've talked to at least, without exceptions—that the problem certainly in the last year is not the bum on welfare; it's the fact that there are not jobs to put the welfare recipients to work at.

Mr. Foulds: Create the jobs.

Mr. Mackenzie: Another little story that goes around sometimes when we're trying to make a case for some of the changes we'd like to see—I've heard it in this House—is that we're in danger of pricing ourselves out of the world market.

Mr. Shore: You don't believe it?

Mr. Mackenzie: I'll tell you one thing—if it were true it would obviously be reason for real concern but it's not so.

Mr. Lewis: No, it's utter nonsense. Liberal claptrap, that's what it is. The mythologies that delude all of you.

Mr. Mackenzie: One of the reasons it's not so is because the prices of our imports are rising faster than the prices we charge for our exports. When we preach public interest to employees and when those concerned are doing some of our society's most unpleasant work, they have little choice but to conclude that their interests are the public interests, too. In exchange for taking essential jobs there should be some appropriate recognition in the pay cheques.

I saw an interesting comparison that the Canadian Union of Public Employees used when it was comparing the wages of zoo keepers with hospital orderlies. It pointed out that in many major cities the people who tend the animals earned more than the people who cared for people. It appears that that's still accurate. Zoo keepers at the Metro Toronto Zoo are now earning \$5.36 an hour and hospital workers at Toronto General are earning \$4.59 an hour.

Mr. Shore: We should get a bigger pay because this is a big zoo right here.

Mr. Mackenzie: Yes, you can hear the baying quite often down at that end.

Mr. Mancini: Are you saying you want to take the wages from them?

Mr. Moffatt: And give it to the hospital workers?

Mr. Mackenzie: I don't think there is any simple way of determining what a job is worth in our society. I served a brief period on the CWS committee and have some understanding of it. I know for more than two decades steelworkers have worked at developing a sophisticated and comprehensive job evaluation system called co-operative wage study, or CWS. The employees are full and equal partners with management—something I think we need more of—in revising job categories and evaluating the skill of the

workers; responsibilities and other factors that determine the scale of jobs and co-operative wage study programmes. The job and not the job holder is evaluated, and there is no chance of discrimination—or very little chance of discrimination. And the employees have a true voice in determining what their job is worth.

But when the government and the advocates of wage controls superimposed an unfair and discriminatory scheme on collective bargaining through the controls that we now have, it makes the whole business of evaluating jobs and working out an equitable job classification an exercise in futility.

Another thing that I am concerned with is the area of safety and health. I find it difficult to understand when we get a researcher of the superior calibre of Dr. Ronald Woulf at McMaster—possibly one of the five top people trained in the world in the field of checking on and testing the lungs of workers in the steel mills—that the federal government cops out. The federal Liberals have copped out of a lot of things in the last year or two.

But when they cop out of the funds for research and say “no more” and cut it off, and we ask in this House, this government, in that key area—and we have had the experiences of the mines, the asbestos mines, Elliot Lake, and now the emerging problems in the steel mills—and when we ask and ask, as I have of the acting Minister of Health (B. Stephenson) over the last month, to step in before it's too late because this particular person is due to leave toward the end of May for the United States, we find that somehow or other we can't find that kind of research funding. I might say it's not a very heavy amount. We certainly should not be losing people of this calibre in the research field.

I find it difficult to understand why it took this government so long to move in the case of the Matachewan mine. I heard somebody yelling from across the way during one of the question periods. They said: “Oh, what are you going to do; the workers wouldn't like it.” I took the trouble to call—and I am sure our researchers and others did as well—and let me tell you, the numbers that didn't like it were minute compared to those who finally realized the danger they were in; the situation that wasn't being cleaned up in that mine—and the need to do something. But why does it always take us so long to move in these kinds of situations?

Another thing that is bothering me in my constituency—and I suspect it's a problem with most of the members in this House—is

the delays that force some people on to welfare while they are waiting for workmen's compensation. I don't know what's happened to the Workmen's Compensation Board procedures in the last year, and particularly in the last five or six months. It has lost people who used to be among its strongest defenders. I can think of somebody like John Lenny of Local 1005. He has probably done more for compensation work than anyone. Possibly one or two would compare with him in the Inco operation. But he has done more compensation work than anybody I know. If you tried to knock the Workmen's Compensation Board with John up until the last few months you had a fight on your hands—even if you could give him some examples or list some of the problems. But now he will tell you something is wrong. The delays are too long; it is too difficult to establish some of the cases that are obvious. Somewhere something has gone haywire in that department.

Mr. Haggerty: More interested in organization than anything.
[9:00]

Mr. Mackenzie: I want also to deal with some of the health care service cutbacks. This is another area where I just can't understand the government of this province. I have heard most of the arguments now sitting in this House on both sides. But I share a concern that my predecessor, Reg Gisborn, had. I would suggest to the members on the government side of the House—they may not want to accept it—I would suggest to them it's a fear that's being held by a larger and larger number of people out in the constituencies. That is, just what is this government doing to the comprehensive health care system we have built up in this province? I know Reg has told me that if there's one thing he was proud of in the 20 years he sat in this House it was the development of and the advances in the whole health care, hospitalization and OHIP field. He has a concern.

Mr. Hodgson: It's not a bad programme.

Mr. Mackenzie: It's not a bad programme except that we're paying a lot more than we should in this province. It falls most unfairly on the poor and the low-income people. Are we dismantling this? Obviously the government is going to say no, but let me tell members it worries me; it worries a lot of people out there.

I can't see the kind of cuts, \$40 million or \$50 million, which this government was talking about in hospitals and in public labs,

when we take a look at what is available in the budget and some of the things we're spending moneys on. I can't for the life of me understand it. Of course, this is one of the things which does set us apart from the Liberals and the Conservatives—why couldn't the government use one per cent additional corporate tax in this province? When I take a look at 12 per cent as against 13 and 14 and, in the case of BC, 15 per cent provincial corporate tax; and when I see that one per cent would produce about \$77½ million, there is the entire cost-cutting in the health field. To me, in terms of people, that would have made one hell of a lot more sense than what was done.

It's like a broken record but some people need to learn a little bit of our history and the fight that went on for this kind of programme. I can't understand why we've laid off 61 people at the Hamilton Psychiatric Hospital recently and why we've already hired 16 more registered nurses in the last five to six weeks in that operation. I'm wondering where the savings are that the government was talking about.

I can't understand why they are still advertising in that particular hospital for registered nurses. I can't understand the phoniness—and I say that advisedly—of a government's position and a minister's position who tells us in this House he would only wish that a health council would take hold of a problem—I'm referring now to the Chedoke Hospital situation in Hamilton—and would make positive recommendations to us.

Mr. Norton: If you communicated with your constituents and asked them, you might find the answer.

Mr. Mackenzie: They asked for that as well. They asked for it at the meeting we had in the minister's office and I was there.

Mr. Foulds: As a guy who can't even answer a question about his own legislation, I wouldn't interrupt if I were you.

Mr. Norton: Come on, I will answer.

Mr. Mackenzie: Let me tell members when that health council does meet—

Mr. Lewis: You have been to a hair stylist, Keith. Is this the new Tory image?

Mr. Speaker: Order, please. The member for Hamilton East has the floor.

Mr. Mackenzie: There is one thing about the member for Kingston and the Islands, he's a real Tory and we know it as soon as

we start listening to him. At least, he's not one of the most antagonistic ones on that bench.

Mr. Lewis: No, positively human.

Hon. Mr. Davis: None of us is antagonistic.

Mr. Mackenzie: As a matter of fact, I found it very difficult to follow the member for Oxford. I suppose I would have liked it a little better if he had been a little more controversial but he was so bland and quiet that it was almost impossible to follow.

Mr. Hodgson: He will find it difficult to follow you, too.

Mr. Lewis: Add a few more Nortons, you wouldn't lose so many seats. Fortunately you don't.

Mr. Mackenzie: I would much rather have a few of the Neanderthals over there or down to my left speaking ahead of me because then I can get riled a little bit.

Mr. Drea: Why don't you do something about the hair styling of your deputy?

Mr. Lewis: Which one?

Mr. Mackenzie: I really wonder how we can have a minister tell us, "Let the health council make the decisions, do some cutting, and come back to us. That's what we want." The health council did precisely that and cut 37 beds and came back with the 150-bed count. After discussion with the other hospitals and unless the information I've got is wrong—I'm sure all the other members in the Hamilton area are going through that hospital and talking to them—they're going to maintain that west end hospital and the services around the rehabilitation centre. That's about what they need to maintain. Then to have the minister come in and say, "That wasn't good enough. You've now got until June 1 to get it down to 100," why in blazes do they ask the health council to make a recommendation in the first place? It doesn't make sense and it makes about as much sense as many of the things I've seen this government do.

Interjections.

Mr. Mackenzie: Another thing that concerns me is that we have had a budget come down and I can see absolutely nothing that helps people in the area of housing.

Mr. Lewis: You are really hurting.

Mr. Mackenzie: Housing is a double-barrelled deal. Not only do I feel housing is a

right for people and an obligation of government, but it is also something that produces jobs quicker than anything else you can do in our economy.

Hon. Mr. Davis: We said that last year and your colleagues didn't agree with us.

Mr. Mackenzie: Ah, that is not quite true. It's what you wanted to do and how you wanted to do it.

Hon. Mr. Davis: Oh, I remember well. You should have been here.

Interjections.

Mr. Makarchuk: Try building houses for a change.

Mr. Mackenzie: Let me give you an example of two or three of the cases that came across my desk today.

Interjections.

Mr. Mackenzie: This woman in one of the apartments on welfare in our community is drawing \$197 alone, single. Her current rent of \$130 is being increased to \$145; she is appealing it. I don't know how you get by on \$55 or \$60. When I started to do some checking, I found that the Moose Lodge had been delivering a basket or two of groceries about twice a month in that particular case. The person really is too proud to have made too much noise up until now. Let me tell you there is going to be a lot of noise made about some of these cases.

Another senior citizen whose income is \$238—these are two cases today in my constituency office—is paying \$145 a month rent. She also pays her hydro and her phone and has about \$60 a month left for food and other necessities of life.

I decided I would also call the Hamilton housing authority and find out just where we stood on housing. I am talking now about the people who need it the most and not a gap that is still considerable when you look at the number of people who will apply when there is an Ontario Housing or a HOME development opened up. And what do I find? I find that as of March 31 in my city of Hamilton there were 455 married couples and 819 single-parent families looking for family accommodation on their list, and that list is probably not complete. There are a number of people who have given up because there are still some people who have been as long as five years on that waiting list. I found in seniors accommodation—they have done quite a bit in seniors in Hamilton and I will con-

cede that—as of March 31 we had 816 single people and 148 couples on the waiting list; 964 in that category. If a government stands indicted, this government does in the area of housing.

Mr. Drea: Why doesn't the city of Hamilton do something?

Mr. Lupusella: You would never understand it. Why doesn't your government do something about it?

Mr. Mackenzie: I don't know whether or not this government realizes what is happening with people when they come in and talk to members in their offices and when they raise some of the problems they are having, whether it's housing, whether it's welfare, whether it's workmen's compensation, or whether it's the increased cost of insurance. You tell them there is not much you can do about it. You get a little note that says: "With the same company for 20 years; 1974 Olds; no accidents in 10 years; my 1975 insurance was \$212 and my 1976 insurance is \$262.50" Or you get a small businessman who calls you and says: "I run three or four taxis in this town. Last year they charged me \$4,700 for the insurance for four cars. My premium this year has jumped to \$7,900. How do I stay in business?"

Mr. Gregory: Maybe we should do what they did in BC?

Mr. Mackenzie: I would rather do something than do nothing and that is the history of your government.

Mr. Gregory: Why don't we do that? Go completely broke.

Mr. Hodgson: Tell us what you would like to do.

Mr. Foulds: We would start with you.

Mr. Hodgson: You are being negative up till now. Why don't you be positive?

Mr. Mackenzie: You have 1,000 or 1,500 people coming in, and the one thing that hasn't got through some of the thick skulls over on that side of the House—

Mr. Norton: Oh, don't be insulting now.

Mr. Mackenzie: —is just exactly what these people are saying.

Mr. Norton: You don't resort to that kind of thing.

Mr. Mackenzie: Let me give you a little story that is typical of what is happening. I

wish you people would start listening to people out there in the constituencies once again. I know you are playing for all of the right wing votes in the Liberal Party and you'll probably get most of them.

Hon. Mr. Davis: We are interested in everybody.

Mr. Mackenzie: I don't know how many of them will come back, but it's time you quit playing to the right and started playing to people.

Mr. Makarchuk: Very few, hopefully.

Mr. Mackenzie: Quit playing to that far right wing, I tell the Premier; he'll get their votes anyhow. Start dealing with people and earn some votes honestly.

Mr. Hodgson: Tell us what you are going to do.

Interjections.

Mr. Mackenzie: Earn some votes honestly. You haven't got a chance.

Hon. Mr. Rhodes: You would be too old.

Mr. Mackenzie: Let me just tell you some of the little things that are going on.

Interjections.

Mr. Mackenzie: I felt very good to get a call a couple of weeks ago.

Interjections.

Mr. Mackenzie: It was from an old couple who are very active in a hospital auxiliary and in their church. The call was nice because I had called on them three times; twice in two unsuccessful campaigns, I must admit, and once in this last campaign. And in every case, as some of the Tories are wont to be, they were very nice, very decent old people. They said they had no arguments with me; just: "I'm sorry, Mr. Mackenzie, but we happen to support the other party, the Conservative Party, and we have for a good many years."

Mr. Foulds: This is the only chance government members are going to get to applaud this story.

Interjections.

Mr. Mackenzie: I want your clapping, because these two people also happen to be a couple of very active oldtimers in our community. I did get through to their son, though, and as a matter of fact he came out and was in charge of my sign campaign in the

last election campaign. But even though he worked I couldn't get his parents' votes. They happen to live on Woodman Drive; they'd be happy to have one of you people call around and see them.

Mr. Norton: This speech is starting to sound like a "Who's Who" of Hamilton.

Interjections.

Mr. Mackenzie: He brought his parents along one day to see what went on in this House. They were sitting up in the gallery about a month ago during one of our sessions.

Mr. Hodgson: Tell us something positive; it sounds like a fairy tale.

Mr. Mackenzie: I know the member will like this after his clapping; does he know what they said?

Mr. Deans: What happened to maiden speeches?

Mr. Hodgson: So much for the nice guy.

Mr. Mackenzie: What's the matter, is it bothering the member and the other Tories a little bit? Let me tell them what she did when she phoned up less than two weeks ago.

Mr. Drea: I am frightened to ask.

Mr. Mackenzie: Her remark to me was: "Mr. Mackenzie, I think we must have worn blinkers for the last 42 years." I'm not sure if the Premier will know a Mrs. Caneer, but certainly she had the ability to walk into the office of Leslie Frost, and into John Robarts' office in this Legislature; and Reg Gisborn used to say to her that she was the battle axe and the war horse of the Tory party.

Hon. Mr. Davis: That's not very nice.

Mr. Mackenzie: That's right, but that was the kind of relationship that existed. Reg sent me up to see her during the last election campaign. She is not well, she's had some heart problems recently, but I was up to see her again just two or three weeks ago.

Mr. Norton: And now she is going to head up your sign campaign next time out.

Interjections.

Mr. Mackenzie: And she said to me: "Mr. Mackenzie, you don't know it, but you got my vote last time after Mr. Gisborn called. My party, as far as I'm concerned, has deserted me and you can make it public who I'm supporting this time around." That's a name well known in Tory circles in Hamilton.

Mr. Peterson: That accounts for two votes, where are the rest?

Mr. Good: The end is in sight.

Hon. Mr. Davis: We care about our people regardless of how they vote.

Mr. Mackenzie: I'm really only trying to help the Premier.

Hon. Mr. Davis: I appreciate that.

Mr. Mackenzie: If he doesn't start waking up we are going to take over quicker than he thinks in this province.

Mr. Hodgson: Who is leader?

Mr. Drea: You have cleared the front row of your party, the whole front row.

Mr. Mackenzie: I also want to deal with the area of jobs, because obviously jobs is the area to which we are not responding.

Interjections.

Mr. Speaker: Order, please. If the members of this assembly don't want to hear the member for Hamilton East I'm sure some of our visitors in the galleries would like to hear him.

Mr. Peterson: That's a reasonable deduction in the circumstances.

Mr. Drea: Mr. Speaker, before he drives you out—

Mr. Mancini: Keep it up; you're creating insomnia in the back ranks there.

Mr. Mackenzie: They are a little livelier than they were earlier in the evening anyhow.

Interjections.

Mr. Drea: It's fun to be here.

Mr. Mackenzie: Eisd do bhevl, Frank.

I want to say that the government action in cutting back in the public service area is fraught with a lot of dangers that I'm not sure they have really stopped to think out. I have in front of me a background paper by Mike Pennick, a research associate with the Social Planning and Research Council in Hamilton, which he submitted on March 8 of this year.

[9:15]

Hon. Mr. Rhodes: A very unbiased report.

Mr. Drea: He is reading, Mr. Speaker.

Mr. Mackenzie: He's got a couple of very important points which should be made here, I think.

Interjections.

Mr. Cunningham: Margaret, don't sit in that chair.

Mr. Ferris: Any other chair.

Mr. Mackenzie: The purpose of this paper is a partial basis—you're really bothered, aren't you, this evening?

Mr. Drea: He is reading.

Mr. Mackenzie: It's a partial basis for predicting the effect of any government policies upon employment and opportunities within any given area. In this paper, public sector is defined in terms of the industrial categories and the national census. "Public sector industry will be defined as hospitals, welfare organizations, education services and public administration."

The bulk of the paper deals with trends which occurred between 1961 and 1971.

Mr. Hodgson: You next, Mike?

Mr. Cassidy: Just wait.

Mr. Drea: Who is next?

Mr. Mackenzie: This period was chosen because 1961 and 1971 were the years of the last two major censuses and the census is the only major source of specific employment data. In 1961, 11.8 per cent of the labour force—

Interjection.

Mr. Mackenzie: It's 11.18 per cent to be accurate—this is in the Hamilton area—was employed by the public sector. By 1971, this 11.18 per cent had increased to 16.54 per cent. I know that strikes fear in the hearts of Tories, this increase in the public sector.

Mr. Drea: He reads as well as Bill.

Mr. Mackenzie: Thus the share of the labour force employed by the public sector increased by 5.36 per cent during that period. During the same decade there was an expansion of 38,000 jobs in the area. Of those expanded jobs 14,000, or almost 38 per cent, were in the public sector.

Mr. Foulds: Don't go, Bill.

Mr. Mackenzie: Manufacturers, for example, in the Hamilton area had 8,005 new jobs in that 10-year period. The public sector had 14,422 jobs in that period.

Mr. Drea: Teach him how to read, Jimmy.

Mr. Mackenzie: This little table, just to give members a couple of figures, shows in the public sector 19,900 employed, increased to 31,500 from 1961 to 1971; an 85.02 per cent increase. In the private sector 134,000 to 158,000; a 17.6 per cent increase.

Interjection.

Mr. Mackenzie: If the public sector had increased at the same rate as the private sector, which is one of the arguments I get from the government on cutting back government spending, there would have been a loss in the Hamilton area of 14,426 jobs in that 10-year period.

Mr. Norton: If the public sector hadn't increased its spending, it might have had more money to increase the employment—

Mr. Mackenzie: I see; you want the old trickle down theory. You want to pass it on to the corporations as we're now doing and hope it will produce jobs. What do the sales tax cuts do in the way of producing jobs?

Mr. Norton: In the labour unions—

Mr. Speaker: Order.

Mr. Drea: You're dead on that one.

Mr. Mackenzie: Obviously, you can't—you will respond differently. That's where there's a basic difference in our parties and thank God there is that kind of a choice for people.

Mr. Norton: It produces cause and effect.

Mr. Makarchuk: Your cause and effect has been a miserable failure.

Mr. Lupusella: You're losing credit now.

Mr. Norton: Come on.

Mr. Foulds: The only people you are keeping in business are the hair stylists.

Mr. Makarchuk: Yes, what caused that effect?

Mr. Mackenzie: If this trend continues—I hope some of the members get the point I'm trying to make here—if this trend continues to 1986 in our community, what will be its future effects on the composition of the labour force in Hamilton?

Mr. Drea: It will all be part of Toronto.

Mr. Mackenzie: The growth within the private sector was 1.76 per cent between 1961 and 1971—17.6 per cent rather. This corresponds to a 15-year growth of 26.4 per cent.

The corresponding 15-year growth period for the public sector is 137.5 per cent.

Mr. Drea: Bet you didn't write that, did you?

Mr. Mackenzie: I'm not bucking for a cabinet position and you're not going to get one, so you might as well quit. Your track record's not very good as it is.

Mr. Drea: Bob, the last time I took advice from a pork chop, look where it got me.

Mr. Makarchuk: No more rooms at the Park Plaza for you.

Mr. Drea: I never had one.

Mr. Mackenzie: What really happens when we start cutting back on the public sector is we cut the one area where the growth in employment in our province and our country has been and where it's likely to be in the future.

Interjections.

Mr. Mackenzie: The automation we are seeing in the industrial plants is not going to lead to a very big increase in the work force. The prospects for a quick buildup of our secondary industries, certainly with the government we have here—even worse if we had the Liberals in—are not likely to be accelerated very quickly.

The growth of jobs is going to be in the service industries whether the Tories like it or not and if we start cutting back on these jobs we are going to have a tremendous and terrible unemployment problem in this country.

Mr. Shore: The best thing that has been said today; right on.

Mr. Foulds: It certainly is. Not like you; when he says something in this Legislature he means it.

Hon. Mr. Rhodes: Phoney as a \$9 bill.

Mr. Mackenzie: I want to make one or two points in closing.

Mr. Hodgson: It beats being a school teacher.

Mr. Drea: He never was a school teacher.

Mr. Mackenzie: Your intelligence is pretty good, let me tell you.

Mr. Makarchuk: You would never know the difference.

Interjections.

Mr. Makarchuk: Is that a Tory fact?

Mr. Hodgson: You are just on the payroll?

Mr. Makarchuk: You are learning something, are you?

Mr. Mackenzie: There is a very basic difference in approach—

Mr. Norton: There is a basic difference. It has an educative effect; keep it up.

Mr. Mackenzie: —between our party and the other two parties in this House. Yes, we would change the way to do the taxing. Yes, we would go after housing in a massive way and create jobs with it. Yes, we would put public money in and build if we had to, although I think it can be done by the private sector. All of these options are there. Yes, we would see that there is a fair share of taxes paid in the resource industry and in the corporate world—something we won't get from either the Tory party or the Liberals, that's obvious.

Mr. Norton: Put them out of business like they did in BC with their five per cent sales tax.

Mr. Mackenzie: The funny thing is none of them went out of business.

Mr. Norton: That's not true.

Hon. Mr. Rhodes: Except for the NDP.

Mr. Mackenzie: I might give a few figures to hassle the private enterprisers. One of the problems going on right now in the Province of Saskatchewan is in the potash field. I wonder if some of the members are aware of how much, in its last year, the Liberal government in that province received in taxes and royalties from the six major potash mines in the Province of Saskatchewan.

Interjections.

Mr. Mackenzie: It is your people who had this giveaway. That is why I couldn't help looking down there.

Interjection.

Mr. Mackenzie: Let me tell you what was received.

Hon. Mr. Rhodes: Tell us what those Liberals get.

Mr. Cassidy: They are very sensitive.

Mr. Speaker: Order, please.

Mr. Mackenzie: It was \$1.7 million.

Interjections.

Mr. Speaker: Order, please. Could we have the hon. member for Hamilton East complete his speech?

Mr. Mackenzie: Yes, \$1.7 million.

Mr. Speaker: The member for Hamilton East only, thank you.

Mr. Mackenzie: You will get your chance later, I think, if they let you on.

Mr. Speaker: Order.

Mr. Mackenzie: It was \$1.7 million. What was received by the Province of Saskatchewan in the year 1974, the year prior to this most recent Saskatchewan election? It was \$77 million. From \$1.7 million—the Liberal giveaway in 1971—to \$77 million in 1974.

Interjections.

Mr. Mackenzie: Let me talk a little more about this situation.

Hon. Mr. Rhodes: Those figures are wrong.

Mr. Mackenzie: Let me tell members a little more. The companies decided they weren't going to pay the taxes; they were going to fight it all the way down the line. Some of their arguments were that it would hurt the industry, it would lose jobs, it would cut their profits.

Mr. Makarchuk: They'll take their potash and leave.

Mr. Mackenzie: The interesting thing—

Mr. Makarchuk: On their backs.

Mr. Mackenzie: —in the Province of Saskatchewan is that in 1974 there were more people working, the industry was healthier, and the profits were larger in spite of that kind of a payout to the province.

Mr. Drea: That's because they didn't vote Liberal.

Mr. Speaker: Order, please. The member for Hamilton East.

Mr. Mackenzie: No, I would equate it with sound economic planning and a fair share which is all the people want—something that is not understood by the other two parties on every occasion.

Interjections.

Mr. Lupusella: They will never understand that.

Mr. Drea: Now you have bankrupted BC.

Mr. Mackenzie: Let me tell—

Interjections.

Mr. Mackenzie: Let me tell members about—

Mr. Speaker: Order, please. I would suggest that perhaps the hon. members might read tomorrow's Hansard and reflect upon tonight. We will hear the hon. member for Hamilton East. Thank you.

Mr. Mackenzie: There is a difference, a very basic difference—it is one that I am proud of—between us and the members who sit across the way; not in a nasty personal way but in terms of policy and philosophy. To give most of the Conservatives credit, it is something, I think, that they understand. I think they know where we are at. They may not agree with us; they obviously don't. They know where we are at. They know what we stand for, and they know we are for real. At least we start from that basis—something that we really don't understand or know about as far as I can tell from this party down at the left.

But I would like to close; I would like to close—

Interjection.

Mr. Speaker: Order, please. The member for Hamilton East is making the speech. Thank you.

Mr. Mackenzie: I would like to close—

Interjections.

Mr. Speaker: Order.

Mr. Mackenzie: —by warning the party that has had a pretty long tradition in this province that people have really begun to wonder about it. I think that has really happened. They had better start listening to people and start looking at positive and progressive legislation; not the kind of right-wing backlash we are getting. There is a dry rot that has set in and it seems to have permeated the entire party, and it is going to be its downfall.

An hon. member: Starting right at the top.

Mr. Mackenzie: I am sure there are a few others who would like a chance tonight, and I will close with those remarks.

Mr. Speaker: The member for Frontenac-Addington wishes to speak. Thank you.

Mr. Drea: Now, this ought to be marvelous.

Mr. Mancini: Better than yours.

Mr. Lewis: Well for heaven's sake; pound your desks for him. He is one of your members.

Mr. McEwen: It is not necessary.

Mr. Speaker: you know it's an honour to be allowed to speak in your presence. I would like to congratulate you on your re-appointment this year. I would also like to congratulate the Deputy Speaker and the chairman and vice-chairman for the wonderful job they have been doing conducting the business of this House. I would also like to bring you greetings from the riding of Frontenac-Addington, who some say hasn't had a voice for four or five years.

Mr. Norton: It is right next to Kingston and the Islands.

Mr. Drea: Don't get confused if you can't read your ad libs.

Mr. McEwen: Oh, I tell you. I have learned not to be confused. Listening to the member for Scarborough Centre being confused has taught me a great deal and I thank you very much.

Mr. Drea: With your track record you can be confused on anything.

Mr. Speaker: Order, please. The hon. member for Frontenac-Addington has the floor. Thank you.

Mr. Riddell: Why doesn't the member for Scarborough Centre sit and listen for a change?

Mr. Speaker: The member for Frontenac-Addington. Order, please.

Mr. McEwen: I didn't think the opportunity would ever arise when I would be given the opportunity to say a few words on a number of things that I have in mind, but fortunately we have the time to debate the budget. If I had to wait during the question period, I believe that I would have had a beard long enough to stretch out the front door. The time for speeches, 8 to 10:30 p.m., appears to me to be a terrible time to ask

people to come in here and discuss business, to empty seats on the other side in particular—

Interjection.

Mr. McEwen: I would believe that—

Mr. Haggerty: Is the member for Scarborough Centre leaving?

Mr. McEwen: I believe consideration should be given so that members would have the opportunity of speaking at morning sessions. I would be certainly happy to attend morning sessions and have the opportunity of asking questions for my constituents.

Just to speak briefly on the question period, I have been sitting back as a newcomer and attempting to learn the ropes of this operation. I see members of the Liberal Party in particular popping up and down like Yo-Yos and not being recognized, and it is a clear indication of what I have previously stated, that it is almost impossible to make a comment during question period and to have the opportunity of asking a question. I am sure others find it very discouraging, as it certainly has been to me sitting here and listening to the replies given by some of the ministers. Either they don't have the answers to the questions asked or they are reluctant to admit it, or they are clearly attempting to evade giving anyone any information.

[9:30]

Mr. Norton: Come on, let's have some of that old fire, instead of apologizing.

Mr. Speaker: Order, please.

Mr. McEwen: Mr. Speaker, through you, I would like to welcome the member for Kingston and the Islands to the House. I would bring the ferry operation to his attention if he cares, but if he wishes, I'll leave it alone for the time being.

Mr. Peterson: Don't accuse him of anything you can't prove now.

Mr. Riddell: It's nice to have him around.

Mr. McEwen: Mr. Speaker, I was very pleased to receive a letter from you shortly after entering this House, welcoming me here and mentioning that this is a very exclusive club, the Legislature of Ontario. I would hope that the members on the other side of this club especially would pay more attention to the needs of our people; and not just at election time.

The short experience I've been fortunate in having as reeve of a quite successful

municipality for more than 16 years does, I believe, give me some insight into the problems that municipalities encounter with the provincial government and the bureaucracy that appears to exist in some of the ministries. As I travel throughout the riding of Frontenac-Addington, which I am very fortunate to represent, and listen to the comments made by a good many people who are taxed beyond their means, I can only sincerely sympathize with them, since it is seldom that anyone in government bodies listens to their problems. For this, this government has earned the right to an election—and the right to defeat.

Mr. Cassidy: We told you that a year and a half ago.

Mr. McEwen: These people are not complaining, as some would have us believe. They have problems, they are asking questions and they want a fair and reasonable answer.

Mr. Cassidy: Where were you two weeks ago? You had the chance to bring them down.

Mr. McEwen: They are only asking to be dealt with and recognized as human beings. Some of the things I have to say will relate to the needs of the people of the Province of Ontario and in particular throughout the riding of Frontenac-Addington.

Before I go on to the items I have to discuss, there's one item that's a little out of the field I was going to speak on but I believe it's very important, not only to the riding of Frontenac-Addington but to the province in general. This is directed, I believe, to the Ministry of Health.

In the north part of the riding of Frontenac-Addington, we have an ambulance service that's manned by five men. The total budget for last year was \$65,000, and that \$65,000 involved the salaries for the five men, the repairs of—Mr. Speaker, I'd like to read this letter that I sent to the Minister of Health. I didn't receive an answer and, although he has been ill, I would expect the acting minister to act on something as important as this. This is the letter:

Dear Frank:

In Parham, in the centre of the county of Frontenac, there is an established Ministry of Health ambulance service with a complement of five full-time men. The manager's salary is \$4.08 per hour and the other four are paid at the rates of between \$3.69 and \$3.93 an hour. [It's almost

getting down to the minimum wage.] These men cover an area of 50 to 60 miles in all four directions, carrying out their duties; and at all times there are two men on duty, one at night stationed at headquarters and the other in his home; and the latter cannot leave his home at all while on duty.

The entire cost of the operation last year was \$65,964, and that includes the salaries of the five men, part-time employees for replacement during holidays and so on; \$2,500 for repairs of a vehicle which had 130,000 miles on it when the ministry turned it over to them. The sum of \$65,964 also included the expense for gas, etc. These men do a good many of the repairs on this vehicle by themselves and they run the headquarters, which is a beautiful bungalow they rent from the church at \$100 per month. They have a telephone for their own use, and they pay for this by themselves; they don't take it out of the budget. Last year they answered 352 calls; and this is the only ambulance service for all over that area of the north country.

The co-ordinator, a Mr. Barr, visited the headquarters approximately 10 days ago and advised them that they would have to cut down to three full-time operators and obtain volunteers. It appears extremely unlikely that volunteers can be obtained, in which case this operation could very well find itself in the position of having only one man on duty, and it is virtually impossible for one person to lift someone sick on to a stretcher and place them in an ambulance. Therefore, the time wasted could very well mean the death of some people.

Mr. Barr stated [and this is all verbal; there wasn't any letter accompanying Mr. Barr to leave with the operators; this was all verbal] that instead of the eight per cent increase to the operation as set up in the guidelines, or even the 5.5 per cent, this branch will receive only \$54,000 for 1976. So they are being asked to reduce their already low budget by \$12,000.

I wish to emphasize the low salaries these men are receiving and the invaluable service which they are giving to the north part of the country, and I am taking issue with the ministry with respect to it—firstly, for the approach that was made, which was verbally dropping this into the lap of these dedicated servants of the public rather than sending out a positive directive; and secondly, because the people in my area are getting very tired of being mauled about in this and in other various matters.

The areas being served by this operation are as follows: Bedford, Hinchinbrooke, Sheffield township, Camden, Kaladar, Kennebec, Oso, Olden, Palmerston, Clarendon and Miller, South and North Canonto, North Addington, Highway 41 through to Westport, Portland, and Loughborough.

In the last four years the ministry has removed the medical centre from this area and deprived the residents of that facility. Now they are attempting to disband something which cannot be replaced. In my opinion, if the Ontario government takes a leaf out of the book of this operation, which is being run at a very reasonable cost, and applies it to other branches of government and operations, we would not have the problems of overspending.

I am calling on the ministry to see that this operation is given encouragement to continue with its very valuable and much-needed service to an extensive area, rather than being discouraged from doing so.

Mr. Speaker, I haven't received a reply from the ministry. I received a letter from one of the high-paid, slightly elevated back-benchers to attend a meeting, but he didn't indicate in the letter that I was to invite those who are operating this ambulance service. Considering the service they have rendered, I think it's really in order that they should have been invited, and I am disappointed in the ministry. I am disappointed in the acting health minister in not replying to this very urgent need. I remember the minister, who is ill, stating that ambulance service would not be interfered with.

To reduce this service that costs only \$65,000 for all of this area—50, 60, 75 square miles—an ambulance service such as this that cannot be replaced by any type of tendering that has been suggested by the co-ordinators, I think is very unfair. I don't think there has been any organization, there hasn't been any study made, it's just snap your finger and cut, cut, cut, regardless of where it is or what happens; just something like has happened to some of the hospitals that we have been referring to here for two, three, four weeks, or a month or so.

I wanted to bring that to the attention of the minister tonight. She is here; I don't think she was listening all the time, because she was very busy discussing something else, but if she hasn't got a copy I would be very happy to send it to her—

Hon. B. Stephenson: I heard you.

Mr. McEwen: —and possibly we would get some action for these people.

I would like to continue. With the interest on the Davis debt now running at more than \$2 million a day we are in trouble in Ontario. Much can be accomplished, however, simply through the introduction of sound business techniques and the managing and budgeting of government services. Ontario is in a critical position today because the provincial government has outgrown its proper place in the scheme of things. Gradually, in its 30-odd years, the Conservative administration has wormed itself into assuming the responsibilities of local government to erode them away. Unfortunately, this centralization of power has seldom turned out for the better. We all know what has happened to the government hospitals in the municipalities. Inevitably, this power grab has required rapid expansion of the provincial civil service and brought about a ridiculous duplication of functions and personnel.

Centralizing power in Queen's Park has naturally robbed local administrations not only of control and authority but of pride in planning. The rentals that result from centralizing the operation in this city are very expensive and I'm sure that considerable funds could be found to reduce the financial problems that we have here.

A tragic example is what has happened to health services in the province, particularly in the Kingston, Napanee and Perth districts. Vastly increased administration costs have overloaded the health budget and made health care and patient service appear much more expensive than they really are. Professional health care experts estimate that a minimum of 30 per cent of the cost of the health scheme could be saved by sensible and efficient reorganization. Hospitals, for example, could be operated on a self-supporting basis under the right conditions, but the spirit is lacking when this system is so dwindled and obscured.

One remedy is to return management of hospitals to the boards of management and directors. Local autonomy is essential to restore the pride of ownership and the interest that built Ontario hospitals in the first place. Instead of being operated dictatorially from Toronto, hospitals should be set up as corporate structures and allowed to employ business practices of good management and private enterprise. I would say to the minister: Where did he learn about surgery?

Another case of destructive centralization is what has happened to municipalities in the process of planning and development. Since the Davis government has redoubled the red tape, it takes many years to bring an accept-

able subdivision from the planning to the operative stage. The plans languish for years somewhere, and they could be over at Queen's Park, while costs escalate annually by over 30 per cent; not only 30 per cent, but sometimes two or three times the original cost of a lot. When a project finally approaches completion there is little relationship between its original cost estimate and the final bill.

Mr. Cassidy: If he knows about it, then you fellows know about it too.

Mr. McEwen: The Premier (Mr. Davis) wonders why we have a housing shortage in Ontario or why we have a crisis in Ontario. There is a reason. We hear about the mill rate on a house assessed at \$3,000 or \$4,000 increasing taxes by \$40, \$50 or \$60, but take a look at the assessment. They are not \$3,000, \$4,000 or \$5,000. They are \$10,000 or \$12,000. I'll just mention the new assessment system that was put into operation this year for county purposes—not for municipal purposes, but for county purposes.

Mr. Norton: What about the service in Kingston township that you failed to provide?

Hon. Mr. Rhodes: Tell us about the servicing of that land in Kingston.

Mr. McEwen: I'll attend to you later. One municipality in the north of our riding had an increase in assessment from \$500,000. I said to the reeve who was in attendance at a meeting of the ministry "I don't want to take anything away from your municipality because half of this is Crown land and the rest of it I like going to and visiting, and fishing and so on, but why the increase in assessment from \$500,000 to \$4 million. Are the huckleberries gold plated this year or what has happened?" This is what the assessment office is doing to these municipalities. The Conservative record is as bad in education as it is in housing and health.

Mr. Mancini: What has the Minister of Housing (Mr. Rhodes) got to say now?

Mr. McEwen: I'll look after him, too, in a minute or two.

[9:45]

Mr. Roy: If you had any conscience you would know.

Mr. McEwen: In the 1960s the provincial government poured money down the drain on education and provincial officials climbed on the bandwagon of the Hall-Dennis report.

Hon. Mr. Rhodes: I wouldn't bother to ask you because you can't answer.

Mr. Speaker: Order, please. The member for Frontenac-Addington only. Thank you.

Mr. McEwen: Mr. Speaker, I have asked the Minister of Housing is he really the Minister of Housing or is the Treasurer (Mr. McKeough) running the business like he used to?

Interjections.

Mr. Speaker: Order, please.

Interjections.

Mr. Speaker: The hon. member for Frontenac-Addington.

Interjections.

Mr. McEwen: You like to interfere; and I will say for what you have done you deserve an election and you deserve to be defeated.

Hon. Mr. Rhodes: You have experienced that, I haven't.

Interjections.

An hon. member: That is exactly what you deserve.

Interjections.

Mr. McEwen: To go back, Mr. Speaker—because I was so rudely interrupted—in the 1960s the provincial government poured money down the drain in education. The provincial officials climbed on the bandwagon of the Hall-Dennis report. Then things really got out of hand. The method became more important than the product and the three Rs went out the window. Elementary schools pretended that every child was the same and made few distinctions in evaluation.

Interjections.

Mr. McEwen: High schools dismantled the curriculum and no longer required students to take the basic courses in math, history, English and so on. The basics were unfashionable at all levels. Finally we reached the stage today where the schools are attempting quietly, under the table, to reinstate the basics.

Interjections.

Mr. McEwen: But, Mr. Speaker, the damage has been done and the parents, who see the deficiencies in their children's educa-

tion wonder if they will qualify for decent jobs in the future.

Interjections.

Mr. McEwen: The school boards cannot be blamed for this deterioration because their hands have been tied by a series of restrictive regulations that put control on education solidly in Queen's Park.

Interjections.

Mr. McEwen: Mr. Speaker, this provincial government has become like an untrained fruit tree growing wildly in all directions. The product could be better and bigger if some courageous pruning and cutting back were employed.

Interjections.

Mr. Roy: If you had any conscience you would all resign.

Mr. McEwen: We have heard—I'm sorry that there's only a few of you there, you don't make enough noise.

Interjections.

Mr. McEwen: Mr. Speaker, I neglected one thing. I wanted to bring greetings from the Toronto District Young Liberal Association. They were here and they heard somebody and then they had to go out.

Interjections.

Mr. Speaker: Order, please.

Interjections.

Mr. Speaker: Order! The hon. member for Frontenac-Addington only, thank you.

Interjections.

Mr. Speaker: Order, please. The hon. member.

Interjections.

Mr. Speaker: Order, please. Let's have fewer interjections in the House. Only the hon. member has the floor. Thank you.

Mr. McEwen: I hope so. Mr. Speaker, the member for Kingston and the Islands (Mr. Norton) has continually tried to interrupt me—

Interjections.

Mr. Norton: No, never.

Mr. Speaker: Order, please. I hear quite a few interruptions from all quarters. Will

the hon. member please be allowed to have the floor?

Interjections.

Mr. Speaker: No. Order, please!

Mr. Drea: On a point of order, Mr. Speaker.

Mr. Speaker: Your point of order.

An hon. member: You've got no point of order.

Mr. Roy: About the score of the hockey game.

Mr. Drea: Mr. Speaker, I want to draw your attention to—

Mr. Roy: Are you still packing a gun, Frank? Who are you going to arrest tonight?

Mr. Mancini: The score of the hockey game.

An hon. member: We didn't interrupt you.

Mr. Drea: —subsection 11, under standing order 16(a), about a member using abusive or insulting language of a nature likely to cause disorder. I wish you would draw the attention of the member to that.

Mr. Roy: You better sit down then, Frank.

Mr. Speaker: I must state that there were so many interjections I couldn't even pick that out. The hon. member for Frontenac-Addington has the floor, please.

Mr. McEwen: Mr. Speaker, in that case I suggest that you tend to him.

Mr. Speaker: The hon. member will continue his speech.

Mr. McEwen: But the member for Kingston and the Islands has continually attempted to interrupt me and, being the quiet, easygoing person that I am, I have put up with it so far.

Mr. Drea: Mr. Speaker, once again I draw your attention—

Mr. Speaker: Order, please. Will the hon. member remain seated? The hon. member for Frontenac-Addington only has the floor. Thank you.

Mr. McEwen: Mr. Speaker, in the district of Kingston, Frontenac-Addington, Wolfe Island, Howe Island and so on, for years and years—and I'm quite sure you are familiar with that part of the country, because you

appear to be a country-going person something like myself—

Interjection.

Mr. McEwen: —for years we've tried to get a bridge to these islands and we were always blocked by the government party, which had a majority until it lost a third of its seats in the last election.

Hon. Mr. Taylor: That's not right at all. Your federal counterparts in Ottawa wouldn't concur.

Mr. McEwen: This year a ferry boat was brought into being, and the hon. Minister of Transportation and Communications was in attendance. I might say that this minister has been a gentleman, and I think some of the others could follow his example. Anyway, the member for Kingston and the Islands was on an open-line show and somebody asked him why this ferry was better than a bridge. His reply—I remember it distinctly—was that a bridge wasn't as safe because it iced up in the winter. I would say that possibly the member for Kingston and the Islands, who has got a new haircut, prefers the ferry.

Mr. Norton: I'm sorry, I missed that.

Mr. McEwen: You didn't miss it very much.

Interjection.

Mr. Speaker: Order, please.

Mr. McEwen: We have heard for the last few years that there is a need for more housing with government assistance. However, the government is critical—

Interjection.

Mr. Speaker: If the hon. member would maintain silence in his seat, I think there would be more order. The hon. member for Frontenac-Addington has the floor.

Mr. Roy: You didn't get a haircut, Frank. Sit down.

Mr. Speaker: Order, please.

Mr. McEwen: Mr. Speaker, I'll go back again to where I was so rudely interrupted. We have heard for the last few years that there is a need for more housing with government assistance. However, the government is critical of the municipalities and the federal government, and places the blame on everyone it possibly can, except itself.

Interjection.

Mr. McEwen: Mr. Speaker, when the Minister of Housing (Mr. Rhodes) was speaking earlier, I remember that this row was particularly interested in hearing what he had to say and we didn't interrupt him. I would think the same thing should take place now.

Mr. Mancini: I agree.

Mr. McEwen: We have seen ministers come and go in this House—

Hon. Mr. Rhodes: You have been watching from that side for 30 years.

Mr. McEwen: —and because the Minister of Housing was forced into the portfolio is not our fault. I thought the minister who is now Minister of Consumer and Commercial Relations was going to be the one who would pull us out of the housing problem; at least he did speak out for the people, but apparently he became ill and was replaced. Then the government side, the party that lost a third of its seats from the last election, came along with what it thought was a ray of sunshine in the appointment of the member for Carleton-Grenville (Mr. Irvine) as Minister of Housing. I guess the government thought at that time that it had somebody responsible. It now appears that the government was wrong again, because he was shoved into another high-paying position far removed from the important post of Minister of Housing. He was going to do wonders, but no one needs to wonder any more; it appears that he really missed the whole issue.

Mr. Norton: Come on, be positive.

Mr. Drea: How long have you been a Liberal? Did they pay you or did you pay them?

Mr. McEwen: Let me say this: Possibly he didn't miss the issue himself, but those in the ministry who really had more to say than he did quite possibly are the people who caused the problem. For this, the government deserves an election and deserves to be defeated.

Mr. Drea: Let's have an election right now. Let's have it.

Mr. Samis: You didn't vote the way you said you would in the papers.

Mr. Drea: Stuart Smith didn't write that for you.

Mr. Speaker: Order. The hon. member for Frontenac-Addington has the floor.

Mr. Norton: We'll take you on tomorrow.

Mr. Drea: Right now.

Hon. Mr. Rhodes: Your leader said that's a no-no.

Mr. Drea: Do you want an election right now? Get your friends; they can all stand up.

An hon. member: Mr. Speaker, throw him out; he keeps on interrupting.

Mr. Speaker: Order, please.

Mr. McEwen: Mr. Speaker, he won't leave me alone. Now we have another Minister of Housing, and I just question what his role is.

Mr. Mancini: What is your role, John?

Mr. McEwen: It may be that he has socialistic ideas and wants to produce free homes for everyone. If such is the case I cannot agree with that —

Mr. Drea: How did you ever discover this?

Mr. McEwen: —although I believe it is necessary to assist those who are less fortunate than others.

Hon. Mr. Rhodes: Over how many years?

Mr. Roy: Since you have been minister. You are to blame.

Mr. McEwen: I think that there must be initiative shown by all of us doing something to help ourselves and I feel that it is more encouraging to assist those who are willing to help themselves and I'm sure that all of our people want to assist. They want to assist. Over the years this government and the Ministry of Housing has allowed land prices and the cost of materials to increase beyond the financial responsibility of those who would buy a home of their own and they have allowed interest rates to become so high it is just unreasonable—

Mr. Norton: Who profited from that?

Interjections.

Mr. Speaker: Order, please. Order, please. Order. Order.

Mr. Drea: And how much?

Mr. McEwen: Jealousy will get you nowhere.

Mr. Samis: You were a Tory in those days, Earl, and you know it.

Hon. Mr. Kerr: You made a killing, Earl.

Mr. Norton: Who made a million dollars?

Interjections.

Mr. Speaker: Order. Order, please.

Mr. Drea: He is yours. Not a word from all of you.

Mr. Roy: He is doing a good job.

Mr. Speaker: The hon. member for Scarborough Centre. Order, please.

Mr. McEwen: Mr. Speaker, when I was doing it I was minding my own business and that's more than some of the rest were doing.

Mr. Drea: How much, Earl?

Mr. Speaker: Order, please.

Mr. Drea: How much?

Mr. Speaker: Order. The hon. member for Scarborough Centre.

Mr. McEwen: It would be my recommendation that interest rates be frozen at eight per cent—

Mr. Drea: Now that you are out of the business.

Mr. McEwen: —since homes which at one time cost \$21,000 are now mortgaged for \$50,000 and I believe that eight per cent is sufficient profit for anyone investing in making a living from someone who must work—

Hon. Mr. Kerr: Did you speak to your friends in Ottawa?

Mr. McEwen: —at, if not quite hard labour, almost hard labour, to acquire the funds to pay the mortgage interest—

Mr. Norton: That was back to 1965.

Mr. McEwen: —and in most cases the husband and the wife both work and must work to put food on the table and to pay these high interest rates.

Mr. G. I. Miller: What happens to the kids? What happens to the kids when they're working?

Mr. Samis: He is an ex-Tory now.

Hon. Mr. Rhodes: An ex-independent too.

Mr. McEwen: Mr. Speaker, that man is the yappiest one that I've met for a long time. He has attempted to say more than anyone else and he has said nothing really.

Mr. Norton: That was back to 1968.

Mr. McEwen: You can go home any time you like, nobody's bothered with you.

While I'm speaking about interest rates, I would draw your attention to the statement made by the Premier (Mr. Davis) on Dec. 3, 1975, and prior to that, that the Ontario government would consider mortgage interest subsidies to aid home buyers.

Hon. J. R. Smith: Great man.

Interjections.

Hon. Mr. Taylor: He considered it too.

Mr. McEwen: During the September election campaign, he made this promise to take action to aid mortgage interest rates—

Hon. Mr. Rhodes: Read the rest of it, Earl.

Mr. McEwen: —if the federal government did not act.

Mr. Roy: What happened to that promise?

Mr. McEwen: On March 17, 1976, he withdrew his election promise by stating that it is unlikely that Ontario will introduce mortgage interest rate subsidies to help home buyers. It certainly didn't take him long to retract the promise which helped to get him elected.

Mr. Speaker: I ask this: How do they expect people on a low income or medium income to pay 12 and 15 per cent interest and to be continually gouged with mortgages of from \$30,000 to \$50,000 for 40 years? I don't think anyone should be compelled to live in this situation.

Hon. Mr. Rhodes: Your money gouged eight per cent, Earl.

Mr. McEwen: It would appear that he and the Treasurer—Treasurers, both past and present—feel pretty secure in their positions of having led this province to financial chaos, and they are now endeavouring to straighten out this chaos by inflicting upon the people of Ontario intolerable restraints, particularly in the field of education—

Mr. Norton: Come on now, justify that statement.

Mr. McEwen: —hospital services and Children's Aid Societies, deserving and needy welfare cases and—

Mr. Norton: What is this chaos you are talking about?

Mr. McEwen: —people in need of housing. I would say this, Mr. Speaker—

Mr. Norton: Things have never been better in Kingston township.

Mr. McEwen: —that in the welfare cases, it is always possible for a man to get a job, to find a place to sleep, to get a meal, and to get enough to eat—

Interjections.

Mr. McEwen: —but the mother and her children just cannot do that, and it is unfair to bring in that restraint that will deprive a mother and her children of a place to live, the clothes to wear and the food that they need to eat.

[10:00]

I could go on indefinitely as to the despair they are causing to the people of this province. I feel they deserve better treatment than that which is being dished out to them by this government. This government deserves an election and it deserves to be defeated. The situation is terrible.

Interjections.

Mr. McEwen: I read with interest in the Toronto Star in December, 1975, that the Minister of Housing was worried about Scarborough and he stated that the Ontario government was concerned about—

Hon. Mr. Rhodes: Take over, Earl, and call that election. You've got to take over.

Mr. McEwen: —any municipal action that might lead to a slowdown in home building.

Mr. Samis: They have got two leaders now.

Mr. McEwen: It is about time somebody took over over there.

Mr. Speaker: Order, please. Will the member for Kingston and the Islands try to contain himself?

Mr. McEwen: Mr. Speaker, I will take care of the member for Prince Edward-Lennox later too.

Hon. Mr. Taylor: You mean you will try; you will try.

Mr. McEwen: He is from the party that lost a third of the seats in the last election and was sure lucky to hang on to those that it did.

The Minister of Housing commented in the Legislature about the possibility that the borough of Scarborough may freeze development of housing subdivisions. He went on to say, "It is unfortunate that Scarborough has taken such a position, because housing is needed." Everybody knows it is needed. That was a big statement, wasn't it?

I agree with the minister and his comment that housing is needed. Is this more doubletalk? I leave it to the people for the time being.

Hon. Mr. Rhodes: That was gorgeous.

Hon. Mr. Taylor: That is profound.

Mr. McEwen: I have to bring into being here now, when he is commenting about—

Mr. Samis: Sort of hangs in there, doesn't it?

Mr. McEwen: —being discouraged about a municipality not going for housing, I must speak about the separate issue here now. I question, who is the Minister of Housing? Is it the Treasurer? I have heard it rumoured that it is the first man—

Mr. Samis: In the absence of the Treasurer.

Mr. McEwen: —him I call the grape stomper because he contributed \$1,000 to the grape stompers' club. The next man is the Premier and the next one, I have heard, is the Treasurer, and I have also heard he is the Prime Minister of Ontario. Is it the minister over there? Is he the Minister of Housing, or is it the Treasurer?

Mr. Roy: He keeps asking himself the same question.

Mr. McEwen: And he gets the same answer. But, Mr. Speaker—

Hon. Mr. Rhodes: I know.

Mr. Speaker: Order please, if the Minister of Community and Social Services wants to interject he should do it from his own seat.

Interjections.

Mr. Roy: That is a good place for you to be, up there, Frank.

An hon. member: Tell Frank Drea to get down from the press gallery.

An hon. member: Are you looking for a job, Frank?

Mr. Speaker: Order, please.

An hon. member: Who is the new reporter up there?

Mr. Speaker: Order, please.

Mr. McEwen: Thank you, Mr. Speaker.

Mr. Roy: It is against the principles of the House for members to bother the reporters.

Mr. McEwen: I bring to your attention tonight a plan for development in the north of the riding of Frontenac-Addington, in the area of Barrie township and Cloyne-Northbrook section. They plan a subdivision of 20 lots from threequarters of an acre to 1.5 acres. It was submitted to the planning branch last year, and after the September election, when the results came in and I was fortunate to be here, we were in attendance at a meeting with another ministry with some of the people in the north of the riding, and they asked if I would arrange a meeting with the planning branch. I called to ask if we could have a meeting to discuss this plan, and just to show you the arrogance, Mr. Speaker, the reply I received from a girl was that there wouldn't be any meeting, and when I asked why not, she said, "We are not going to discuss the plan." I said, "Why won't you?" She said, "Well, just because we are not." Mr. Speaker, I hope you will forgive me when I say this; I said to her, "Would you rather meet with us today or would you rather we discuss it in the House?" She said, "I will meet with you at 4 o'clock."

That was a Miss Phillips. When we attended the meeting, a Mrs. Santo was there, and we got into a discussion. I was really friendly, but we got into a discussion and she said, "Well, there are 35 copies. This acknowledges 35 copies of the above draft plan for subdivision." That's what's necessary, and it costs a lot of money to make these plans, to prepare them and have an engineer draw them and survey them out and so on.

Mrs. Santo said, "No, we are not considering the plan," and so I asked, on behalf of the voters in the north of the riding, "Why not?" She said the ministry wasn't allowing it, and I said, "Who in the ministry?" She said, "I am objecting. I am not going to send it out." This employee of the Ontario government, in the planning branch, refused to distribute this plan to the agencies necessary. I think there are 31.

Mr. Shore: That's a sign of leadership; that's leadership.

Mr. McEwen: This is dictatorship.

Mr. Shore: Oh, is that what it is?

Mr. McEwen: She refused even to send it to the municipality, the the council or the planning board of that council, the planning representatives.

Mr. Riddell: Look into that, John.

Mr. McEwen: I asked her, "Why don't you do it?" She said, "Well, there's no planning

study. I visited the area, and the trees and the landscape are beautiful and we don't want to disturb them." The one point is this, we are looking for lots, we are looking for reasonably priced lots for people—

Mr. Norton: Is that an exact quote now?

Mr. McEwen: —and these lots in that area were going to sell for about \$3,000, and they are almost acre lots. Here was an opportunity for people to buy a lot and be able to build a home and live where they wanted, and yet a government body would not entertain even discussing it.

Mr. Roy: Shameful.

Mr. McEwen: Shame is right. Shame is right. This has been going on for a long time and this is one of the reasons for the expensive lots. This is one of the reasons for the shortage of homes. There aren't enough people who can afford these \$15,000 to \$25,000 or \$30,000 lots. In this area there are a good many teachers. There are Transportation and Communications employees. There are retired people who move in. They like it in that area, and they like a home and they want to live there, yet they are deprived of that opportunity.

Mr. Drea: Who sold them the house?

Mr. Cunningham: We're going to put you in one of the homes, Frank.

Mr. McEwen: Mr. Speaker, I just want to read you this reply from the so-called Ministry of Housing:

This application has been examined in relation to the item set out in section 33-4 of the Planning Act and after careful study it has been recommended that approval be withheld at this time. [It has been recommended by whom? By the employees of the people of the Province of Ontario.] (The above application proposes a development of a permanent residential subdivision consisting of some 20 lots in the rural area of the township, unrelated to any existing hamlet or village. [What would it be if it wasn't a permanent residential subdivision? Is there such a thing as a temporary one?])

As you are aware, the township of Barrie has not yet embarked upon a planning programme to indicate how the growth of the township is to be encouraged and controlled and, in particular, how this development will fit into the overall strategy of the township. [Twenty lots is going to affect everything.] In the absence of such a formal

planning programme, it is the policy of this ministry to discourage random residential development from locating throughout the rural area, and to encourage residential uses to locate in the existing communities.

And, Mr. Speaker, we just heard last week that they're going to decentralize housing from Toronto and areas such as this into other areas. We really have people who want to do something and they're deprived of the opportunity; and here we have people who put it in writing that they are objecting.

Now, Mr. Speaker, I'm asking—and it's been the same thing for years—when are we going to reorganize this planning branch? When are we going to get rid of this bureaucracy? When are we going to get rid of this dictatorship, if it exists there? The reasons for this policy are complex, but relate mainly to the need to preserve the rural character of the area; the beautiful trees and what have you. And it would be more beautiful if a few good houses were built along there too, along with the trees and so on. Locate new development where adequate municipal facilities are available, or can be economically provided.

Mr. Norton: What are you going to do about low-cost housing?

Mr. McEwen: For the above reasons we are not prepared to recommend that plan of subdivision for approval. What I say is that if there was something wrong with this planning branch the Ministry of Housing should have got the people in and discussed the plan with them. They refused even to meet with them.

Mr. Norton: If they didn't plan, you would.

Mr. McEwen: These are the people who are getting paid by the Province of Ontario, and they refused to meet with them.

Interjections.

Mr. McEwen: In one area here I mentioned that they said there wasn't a plan for the township of Barrie; and I will admit that readily. And the reason for it is that the Ministry of Housing has no intention of allowing municipalities to have a plan. That is the reason, and I bring it to your attention. This is correspondence from the county of Frontenac.

Interjection.

Mr. McEwen: It leaked. The member for Kingston and the Islands (Mr. Norton) is excited about the leak. If I could interrupt just for a minute, I wonder why that should

be secret? Why should a letter be secret from the gentleman in the back of the minister over here; why should it be secret? The public should know what's going on. Why should you have to be critical, Mr. Speaker, of someone knowing what's going on?

Interjections.

Mr. McEwen: On June 3, 1971, there is a letter from the county of Frontenac to the hon. Dalton Bales, QC, Minister of Municipal Affairs; and it goes as follows:

During the last year much discussion has taken place in Frontenac county relating to planning both at the county and township level of government. At the last regular meeting of Frontenac county council the following resolution was passed: It is endorsed and seconded that we request a meeting with the Minister of Municipal Affairs regarding planning in the county of Frontenac with all members being in attendance at the meeting. Could we please receive confirmation of a time when this can be convenient for you to visit our council to discuss the subject matter.

J. E. Taylor
Clerk

That was June 3. On June 29, a letter from Mr. Bales:

Dear Mr. Taylor:

I understand from speaking to Mr. D. F. Taylor, a director of the community planning branch, that your council wishes to discuss with me certain problems they see in the establishment of a land division committee for the county. [We got to the point where this Taylor mentions a land division committee, not a plan.]

I would be pleased to sit down with representatives of the county—

Interjection.

Mr. McEwen: We're going to put you in a cage.

An hon. member: Throw those two out.

Mr. McEwen: To continue:

—but I'm afraid it will be extremely difficult to find a suitable time prior to the end of the current session of the Legislature because of the schedule already committed. Would it be possible to hold off the meeting until after July 15? If this is not possible, we would be pleased to arrange a meeting.

Interjections.

[10:15]

Mr. Riddell: Just because he is representing his people.

Interjections.

Mr. Speaker: Order, please.

Mr. McEwen: I received on July 6 another letter from the county to the minister, Mr. Bales:

Thank you for your letter of June 20, 1971. Mr. Taylor, our clerk, asked me to write to you and whenever you can meet after July 15, we will be pleased to arrange a meeting.

Aug. 30, 1971, another letter had to be written to Mr Bales:

With reference to your letter again of June 29, 1971, and a reply from this office on July 6, I now wish to advise that the next session of county council will be held in September, on the 21st. Our county council members are anxious to meet with you and I would appreciate learning if you could arrange to be present at the session at a time convenient for you. Will you be in attendance?

It went on and on and it went through various government agencies here. It got to a Mr. Cornice. On May 15, 1972, Taylor wrote to Cornice .

This is to advise that at a special meeting of the county planning committee it was decided not to meet with you at the present time, but to ask your department to act in the following, properly endorsed and seconded, that the planning branch of Ontario be requested to designate each municipality in Frontenac that had not already been designated as a planning area. . . .

I am just pointing out why these municipalities don't have a plan, if it's necessary. I am going to point out why the land division committee is so almighty good that they can make decisions on severances anywhere for any type of business and yet there isn't a plan in the area. When the municipality and the county ask for assistance, it isn't forthcoming.

Hon. Mr. Kerr: The municipalities set up those committees, didn't they?

Mr. McEwen: I want to go on further here—and now we get into the meat of this. It's very interesting, we get to the Treasurer (Mr. McKeough).

Hon. Mr. Kerr: That's the problem. They should have an official plan.

Mr. Norton: Get into 1973; 1973 is a good year. That's the year you refused to sit down and talk about it.

Mr. McEwen: This went on and on—here is one from the member for Carleton-Grenville (Mr. Irvine).

Mr. Norton: Is there a letter there from 1972, the year you refused to talk?

Mr. McEwen: Mr. Taylor, designation of planning area, county—

Interjections.

Mr. McEwen: Do you know why the county didn't want to get involved with the city? It was—

Mr. Norton: Because you told them not to.

Mr. Speaker: Order, please. This is not a debate.

Mr. McEwen: You remember that, too.

Mr. Deans: It is a debate.

Mr. Speaker: It is not a debate in the sense that only one person has the floor at once. I must caution the member for Kingston and the Islands that if he wants to engage in this he'll do it on his own time not the time of the member for Frontenac-Addington.

Mr. McEwen: Mr. Speaker, I would like to reply to the nasty remark made by the member for Kingston and the Islands in that I am the one responsible. I am proud to be named as one who stood up for the county of Frontenac for 16 or 18 years, compared to two years of his representation as an alderman.

If he wants some more of it he can have it. The reason the county didn't want to go with the city is that it would put them back five or 10 years the same as it would if they joined the Province of Ontario.

Mr. Foulds: Where are they?

Mr. McEwen: That's the reason. We get on to the letter from the member for Carleton-Grenville (Mr. Irvine) and this is to the county again in 1973:

With reference to my meeting with the warden and members of county council, at which time the warden requested our favourable consideration of the above

designation for planning purposes. I wish to advise it would be in order for the county to send a formal application to the Hon. John White.

They had already sent them one before, so they sent one then to the Hon. John White. That word "honourable" bothers me too. On Sept. 25 they wrote:

The county of Frontenac hereby makes application for your consideration of the designation of the county of Frontenac as a planning area.

This, Mr. Speaker, has gone on until March, 1976. From 1971 to now the county of Frontenac—all the municipalities—felt that if they combined their resources they would be able to help the municipalities which didn't have the finances necessary for a plan so that they could get on with any developments such as tourist areas, commercial, industrial, residential or whatever was proposed. But they had been denied the right to be established as a planning area and I question this, Mr. Speaker.

In reply to the member for Kingston and the Islands, through you, what effect would a municipality, 75 miles north of the city of Kingston, have on the city of Kingston's plans?

Mr. Norton: How about Kingston township?

Mr. McEwen: I would say only delay for the municipality in the riding of Frontenac-Addington, that's all. Why wouldn't the government allow the county to proceed? The county did spend considerable sums of money on hiring consultants to prepare the necessary papers to present to the ministry. It was presented. I could read on and on, but I know it isn't necessary to read it to you, Mr. Speaker. You understand, I repeat, the bureaucracy and the dictatorship which exist to deny a municipality and a county the right to be an established planning area.

Mr. Drea: Why don't you tell us who the developer was?

Mr. McEwen: It's wrong. It's terribly wrong.

Mr. Drea: Who was the developer?

Mr. Norton: Who is the consultant?

Mr. McEwen: We'll have the consultant as soon as the—it was the planning consultant. I haven't got it right here yet. In case the member who has interrupted so much tonight

disagrees or something like that. I would certainly present to him the name of the planning consultant. It's headed by a man by the name of Mr. Little.

Mr. Drea: Who was the developer and who was the sewer and watermains man?

Mr. McEwen: Now that I have been interrupted—this isn't in my speech—I want to say in our experience, we have found that the developers in most cases where we've had any authority have signed a subdivision agreement which placed all of the services in the lots. The developer paid for them originally. The sewer, the water line, paved streets, curbs, storm sewers, sidewalks on one side of each street, varied hydro and telephone lines, etc.; were all incorporated in the cost of the lot.

The Minister of Housing has stated that he wants to see more reasonable housing and he wants to see cheaper type housing. He wants to deprive some of our people of the opportunity of living in a good home.

Mr. Norton: Land is such a big part of that cost.

Mr. McEwen: He wants to deprive some of them of the opportunity of having these sewer and water services and paved streets and so on. We have found, by letting the private operation, the developers, pay the costs that they do it far more reasonably than anyone else.

I sent you an example, Mr. Speaker. In one municipality I know of the government bought 300 lots for the HOME project for \$4,900. They are now selling these lots for \$11,000. I say that this is Ontario government gouging of people who want a house. They don't have enough for a big down payment and the government is depriving them.

Mr. Drea: Who is the land speculator? If ever the kettle called the pot black. Who was the speculator in the case you are talking about?

Mr. McEwen: Also, Mr. Speaker—

Mr. Speaker: Order, please.

Mr. McEwen: —it was brought to my attention—I want to compare the cost of these lots—that not very far from here there is a HOME project where the lots cost \$8,200. They are valued at \$33,000. The people are going to pay rent for 25 years and at the end of 25 years, they're going to pay the balance between \$8,200 and the \$33,000. That will be \$24,800 and they're going to start paying a mortgage on that after 25 years. What I am

saying is that these lots are becoming far too expensive for people with lower incomes.

I want to assure the member on the other side that he isn't going to be shortchanged. With your permission, Mr. Speaker, as the time is getting on and I am sure that you want to adjourn, I want to come back and spend another hour or two or three with you and with the member.

Mr. Drea: No.

Mr. McEwen: I am sure that I would be disappointed if he wasn't here to continually interrupt. That seems to be his role and possibly the reason he remains where he is is that he continues to do this.

Mr. Drea: I would still like to know who that speculator is.

Mr. Speaker: Order.

Mr. McEwen: I would like to have gone on and on and on. I would be glad of the opportunity to question the Minister of Housing as to whether he is really the Housing minister or whether it is the Treasurer (Mr. McKeough).

Mr. Drea: Mr. Speaker, there is a more profound question—who is the land speculator?

Mr. McEwen: I just wonder whether the hon. minister left for the reason that he wants to go and find out. Possibly he has been sitting here with us for so long he really doesn't know who the Minister of Housing is. I have not seen any letters signed by him in regard

to the planning study recommended for the County of Frontenac. I have seen the name of the previous Treasurers. I have seen the name of the member for Carleton-Grenville (Mr. Irvine), the former Minister of Housing. I have seen the name of Mr. Bales, the former minister; but I have never seen the Minister of Housing's name on any correspondence relating to this recommended planning study.

Rather than start into something new, if it is your wish to adjourn, Mr. Speaker, then I will come back.

Interjections.

Mr. Speaker: If the hon. member would move the adjournment of the debate, he may have the floor next time.

Mr. McEwen moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Parrott: Mr. Speaker, before I move the adjournment of the House I would like to inform the House that the estimates of the Ministry of Revenue will begin in the afternoon on Thursday and continue into the evening. Also on Thursday, the miscellaneous estimates committee will meet to deal with estimates of the Office of the Assembly.

Hon. Mr. Parrott moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

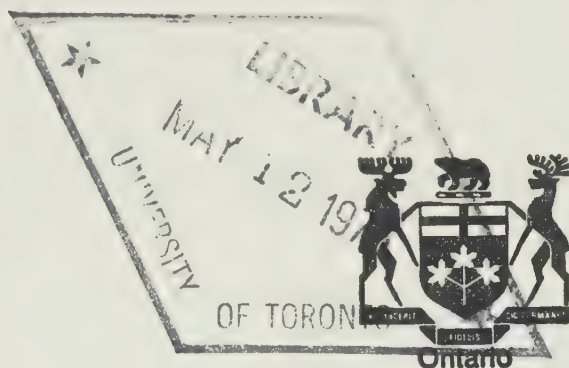
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SPEAKERS IN THIS ISSUE

Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
 Campbell, M. (St. George L)
 Cassidy, M. (Ottawa Centre NDP)
 Cunningham, E. (Wentworth North L)
 Davis, Hon. W. G.; Premier (Brampton PC)
 Deans, I. (Wentworth NDP)
 Drea, F. (Scarborough Centre PC)
 Ferris, J. P. (London South L)
 Foulds, J. F. (Port Arthur NDP)
 Good, E. R. (Waterloo North L)
 Gregory, M. E. C. (Mississauga East PC)
 Haggerty, R. (Erie L)
 Hodgson, W. (York North PC)
 Kennedy, R. D. (Mississauga South PC)
 Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 Lewis, S.; Leader of the Opposition (Scarborough West NDP)
 Lupusella, A. (Dovercourt NDP)
 Mackenzie, R. (Hamilton East NDP)
 Makarchuk, M. (Brantford NDP)
 Mancini, R. (Essex South L)
 McEwen, J. E. (Frontenac-Addington L)
 Miller, G. I. (Haldimand-Norfolk L)
 Moffatt, D. (Durham East NDP)
 Norton, K. (Kingston and the Islands PC)
 Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
 Peterson, D. (London Centre L)
 Renwick, J. A. (Riverdale NDP)
 Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
 Riddell, J. (Huron-Middlesex L)
 Roy, A. J. (Ottawa East L)
 Samis, G. (Cornwall NDP)
 Shore, M. (London North L)
 Smith, Hon. J. R.; Minister of Correctional Services (Hamilton Mountain PC)
 Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
 Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)



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OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, April 22, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 22, 1976

The House met at 2 p.m.

Prayers.

ESTIMATES

Hon. Mr. Auld: Mr. Speaker, I have a message from the Honourable the Lieutenant Governor, signed by her own hand.

Mr. Speaker: By her own hand, Pauline McGibbon, the Honourable the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1977, and recommends them to the legislative assembly, Toronto, April 22, 1976.

Statements by the ministry.

QUEEN'S BIRTHDAY

Hon. Mr. Davis: Mr. Speaker, first, on behalf of the Legislature and the government, I would like to express, through you, best wishes to our sovereign, Her Majesty the Queen, on the celebration of her 50th birthday. I am asking the Honourable the Lieutenant Governor to convey these best wishes to Her Majesty.

ENGAGEMENT OF MINISTER OF CORRECTIONAL SERVICES

Hon. Mr. Davis: While I am expressing best wishes, I think I would like to—in fact, I know I would—express on behalf of all members of this House congratulations to the Minister of Correctional Services (Mr. J. R. Smith) on the announcement of his upcoming marriage.

Mr. Reid: You gave up too soon, John.

Mr. Peterson: No kidding.

Hon. Mr. Davis: I am sure, Mr. Speaker, that he will find marriage the same valuable correctional institution that the rest of us have, at least those of us who have experienced it.

Mr. Peterson: Is it Betty, or which one is it?

Hon. Mr. Davis: I don't know whether you are all being invited or not, but I thought you should all know.

Mr. Roy: He's got your permission, has he?

Mr. Gaunt: Since you got in the cabinet you slowed down.

Mr. Speaker: Will the hon. Premier yield?

Mr. Lewis: If I may, Mr. Speaker, simply say, in the unaccustomed role as Her Majesty's loyal opposition, that we share with the Premier in extending best wishes.

May I say to the Minister of Correctional Services that all of my colleagues extend to him, of course, heartfelt congratulations, and we work on the assumption that all of his children will be issued identity cards very early in life.

FIRST MINISTERS' CONFERENCES

Hon. Mr. Davis: Mr. Speaker, today the Prime Minister of Canada confirmed his proposal that two conferences of first ministers be held in the coming months. The first conference would take place on May 6 at Sussex Dr., in private, and would consider gas and oil prices, the unilateral federal decision to revise the method of calculating the revenue guarantee, and federal proposals on patriation and the constitution. The second conference would be scheduled for approximately mid-June, to deal with shared-cost programmes and other aspects of federal-provincial fiscal arrangements.

Members will recall that on April 9, the Treasurer (Mr. McKeough) tabled in the House, on my behalf, the response of the government of Ontario to Mr. Trudeau's proposal to hold these two separate first ministers' conferences. We suggested to the Prime Minister of Canada that these items should be discussed at a single meeting of first ministers in May, prior to the bringing down of the federal budget, and that this meeting be in public.

I am disappointed that Mr. Trudeau has chosen not to appreciate the logic and urgency

of our proposal for a single open conference to deal with related matters of vital concern to this province and to the country.

In our opinion, an increase in the price of oil and gas of the magnitude that we understand is being contemplated by the federal government will have undesirable economic and fiscal effects. We are concerned that the degree of income redistribution resulting from such an increase could have a serious dampening effect on the economic recovery of Canada, which has just got under way. We are concerned that the increase will have a serious inflationary impact, thereby weakening and discrediting the national anti-inflation programme. We are concerned that such an increase will further divert funds into the hands of government and away from the private sector, where they are needed for investment and expansion. We are concerned that such an increase will further aggravate fiscal disparities among the regions of the country. In this regard, we cannot understand the logic of considering oil and gas prices on May 6 in isolation from the subject of equalization payments, which is not due to be discussed until mid-June. Such a piecemeal and unco-ordinated approach makes no sense to us at all.

With regard to energy prices, the Minister of Energy (Mr. Timbrell) has put forward an alternative pricing system for crude oil. In my opinion, Ontario's flexible proposal can accommodate the diverse needs and interests of the producing provinces, of the consuming provinces, of the federal government, of industry and of the general public.

In short, Ontario has designed a positive and viable alternative to the present crude oil pricing policy. That alternative has not been refuted nor subjected to irreconcilable criticism.

Our position is clear. It is the basis of a sound, realistic, national policy for crude oil pricing. It is the position which I shall advocate strongly on May 6.

With regard to federal-provincial fiscal relations, we continue to advocate that all aspects of current fiscal arrangements be discussed before the federal budget is finalized and before commitments are made in programme areas. This agenda item should include such issues as the revenue guarantee, the equalization formula and the financing of the major shared-cost programmes. If we are to reduce the rate of growth of the government sector in Canada, if we are to minimize federal-provincial policy and programme entanglements, if we are to eliminate waste and inefficiency in public spending, this country

must adopt a more integrated approach to federal-provincial fiscal relations.

A meeting of health ministers has been called by the federal government for April 27-28, with health financing as a major item on the agenda; a meeting of welfare ministers has been scheduled for the first week in June to consider new programme and financing arrangements in the social services area; however, the meeting of first ministers called for the express purpose of considering new federal proposals on the major shared-cost programmes is not to be held until mid-June. Given this unco-ordinated schedule of meetings and the unwillingness of the federal government to accept our proposal for a single meeting, I have asked the acting Minister of Health (B. Stephenson) and the Minister of Community and Social Services (Mr. Taylor) to request of their federal counterpart that financing matters not be discussed at the upcoming ministerial meetings so that the first ministers will have an opportunity to consider the general question of shared-cost programmes and other aspects of federal-provincial fiscal relations.

Mr. Trudeau has indicated that the May 6 meeting will be held in private at 24 Sussex Dr. We regret this decision. Canadian energy policy is just too important for Canadians to be denied access to the nature and implications of those discussions.

The same holds true for federal-provincial fiscal relations. We hope that the federal government will agree that the June conference should be open to the public, and we will indicate our desire in this respect formally to the Prime Minister. And, Mr. Speaker, I will table the Telex received from Mr. Trudeau.

SUPPLEMENTARY FUNDS FOR EDUCATION GRANTS

Hon. Mr. Auld: Mr. Speaker, on Tuesday, April 20, the leader of the third party asked a question in the House on Management Board orders as they related to the Ministry of Education. His concern centred around some \$77 million of additional spending which was authorized by way of Management Board orders.

Mr. Speaker, my concern on this matter relates to the misunderstandings which have developed in this House over Management Board orders and their relationship to 1975-1976 spending levels. Suggestions have been made that perhaps over \$100 million of additional unreported spending has been made by

way of Management Board orders and that this spending was not included in the 1975-1976 expenditures reported in the Ontario budget 1976.

I want to stress that these suggestions are false. The total expenditure shown in the Treasurer's 1976 budget of \$11,391 million includes all Management Board orders which the Management Board has approved up to the time the budget went to press; plus all anticipated Management Board orders which we expected would be required for planned expenditures, specifically in relation to salary awards and that kind of thing.

In particular, the expenditure of \$11,391 million includes the Management Board orders for \$76.4 million, which were the subject of the question by the leader of the third party. The amount of \$76.4 million was required for additional expenditures on the general legislative grants to school boards.

I would like to stress that the increased costs in education were first made public in October, 1975, when the Treasurer tabled the Ontario Finances report to the end of the second quarter; that is, to Sept. 30, 1975 and I'm sure all hon. members have seen it. If they will look at table 3, they will see the budget estimates, the revised estimates and, in this case, the increase. This information was provided because the ministry was aware at that time that the amount provided in the estimates for general legislative grants might not be adequate since more school boards were spending up to the ceilings than had originally been anticipated. The estimate in September, 1975, of \$71 million proved to be \$5.4 million less than the amount finally required.

I would also like to explain to the hon. members that the additional funding which has been made by Management Board order, or is anticipated to be made by Management Board order, is always reported in Ontario Finances. These reports, which the Treasurer issues quarterly, contain a revised forecast of expenditures to the end of the fiscal year, based on the best information available at the time Ontario Finances goes to press.

A quick examination of Ontario Finances will show that the majority of the increase in 1975-1976 expenditures from the 1975 budget was forecast in the Sept. 30, 1975, estimate. The total expenditure forecast at the end of the second quarter was \$11,382 million, while the 1976 Ontario budget revised this upward slightly to \$11,391 million. The increase in spending from the \$11,028 million shown in the 1975 budget, which amounts to \$363 million, is authorized either by supplementary

estimates or Management Board orders. I should stress that the \$11,391 million is an interim expenditure amount for 1975-1976 and some variation from this figure can be anticipated when the actual expenditure is finally determined by the Provincial Auditor later this year.

In summary, the \$11.4 billion total expenditures reported by the government since Sept. 30, 1975, represents the best interim forecast of all spending for 1975-1976, including Management Board orders.

[2:15]

Mr. Roy: The government didn't know that two days ago, eh?

RENT REVIEW

Hon. Mr. Handleman: This afternoon I will introduce a number of amendments to the Residential Premises Rent Review Act.

One of the amendments ensures that all periodic tenancies are included within the scope of the legislation. It has been suggested that more explicit wording may be needed to ensure that the intent of the law is sufficiently clear.

A second amendment clarifies the fact that a landlord who has benefited from a rent increase of up to eight per cent without a rent review may not have another such increase for a period of at least 12 months.

A third amendment makes it possible for a tenant—

Mr. Cassidy: The government wouldn't accept that three months ago.

Mr. Speaker: Order.

Hon. Mr. Handleman: —to deduct previous overpayments of rent from future rent cheques until a rent review order has been fully satisfied. The Act currently limits these deductions to one month only when some of the rebates are in excess of one month's rent.

The most substantial amendment will exempt certain kinds of rental units from the rent review programme. We are proposing that rental units which are owned by non-profit institutions, in which rents are already subsidized, should be exempted from rent review. This exception includes buildings owned and operated by churches, universities and colleges. It also includes government projects with rent-geared-to-income or limited dividend features, or any other buildings where rent is already subject to government approval. It simply makes no sense to apply rent review legislation to housing which is

already reviewed, administered and controlled by government or governmental agencies.

In bringing forward these amendments, it is the government's hope that our resources can be concentrated in the areas of greatest need where no other controls exist.

FARM INCOME STABILIZATION PLAN

Hon. W. Newman: Mr. Speaker, you will note that the estimates today include an item of \$25,600.00 for a farm income stabilization plan. I intend to introduce legislation in the near future enabling such a plan to be applied to a wide variety of agricultural commodities.

Federal action could still alter our estimates of \$25.6 million as the government of Ontario's share of stabilization premiums for this fiscal year. If it should prove too low, the government shall reorder its priorities to provide the extra funds needed for the legislation.

OIL AND GAS PRICES

Hon. Mr. McKeough: Mr. Speaker, I am tabling today for consideration of members a staff paper entitled Oil and Gas Pricing and Trade Competition: An Ontario View.

As I emphasized in the budget statement earlier this month, we are concerned that a further round of oil and gas price increases could seriously damage the competitive position of our economy, particularly at this time when it is vitally important that we win our way back into US markets. There are a number of disturbing factors which are reducing the competitiveness of our industries—

Mr. Bullbrook: Why doesn't the government tell Alberta that? Why doesn't the Premier tell Mr. Lougheed that?

Hon. Mr. Davis: They set the price.

Mr. Speaker: Order, please. Let the hon. minister finish his statement.

Hon. Mr. McKeough: —including lower productivity levels, high interest rates and the relatively high level of the Canadian dollar. Higher energy prices will simply compound the situation.

This paper provides a technical analysis of the implications for Ontario's competitive position of possible increases in the price of oil and gas. The paper shows that, in general, Ontario industries are somewhat more energy-intensive than their US counterparts. This means they are more adversely affected by increases in the price of oil and gas.

I hope that this paper will contribute to public discussion concerning the development of a better energy pricing policy for Canada based on rational objectives and current economic reality.

PREMIUMS TAX ON INSURANCE COMPANIES

Hon. Mr. McKeough: I thought it wise to inform members that when the Corporations Tax Amendment Act goes to the committee of the whole House, I have asked the Minister of Revenue (Mr. Meen) to move an amendment to the section with respect to the premiums tax on insurance companies.

The life insurance companies have been making representations to Ottawa about the adverse impact on their business arising from federal tax laws. In particular, they are concerned about the non-neutrality of the income tax system in respect of different forms of savings. We agree that modifications are needed, and we would hope that changes may be forthcoming in the May federal budget. Ontario will parallel these federal changes.

Taking this dimension into account, as well as the competitive position of our life insurance companies in the US market, the Minister of Revenue will propose an amendment to the premiums tax increase. Instead of the across-the-board rate increase from two per cent to three per cent as originally proposed for life insurance, the one per cent increase will be applied only to the non-savings portion of premiums; and for life, accident and sickness insurance, the increase will be applied only to contracts entered into on or after April 7, 1976. This will exempt existing individual life insurance and the savings part of future life policies from the tax increase. We will follow the same phasing-in procedure of applying the tax only to new business as in our 1973 corporations tax amendments in respect of fraternal organizations.

There will be some revenue loss from the original proposal as a result of this amendment, but I expect to recover this via changes following the federal budget. Modification of the 15 per cent federal investment tax would broaden the base for the profits tax on life insurance companies, thereby generating a higher corporate tax yield to the province.

The whole spectrum of taxation on life insurance companies needs to be reviewed. The present system of provincial premiums tax plus federal investment tax, both of which

are deductible against profits tax at both levels, has become excessively complex and unwieldy. The province, therefore, intends to undertake an in-depth study of this area, with the objective of securing a better tax structure for the long term and one which generates adequate revenues to the province.

G.A.I.N.S. CONFERENCE

Hon. Mr. McKeough: Finally, on Tuesday the leader of the third party asked a somewhat fuzzy question of my colleague, the Minister of Community and Social Services (Mr. Taylor). With the indulgence of other members for a moment, I will undertake a little reality therapy for the benefit of the Liberal leader.

Mr. Singer: Is that a ministerial statement?

Mrs. Campbell: The Treasurer has no expertise in that area.

Mr. Singer: What about ministerial statements being non-controversial?

Mr. S. Smith: He said he didn't have your leash. Who is it today?

Hon. Mr. McKeough: First of all, the federal-provincial conference of April 1 and 2 to which the leader alluded was a conference of finance ministers, not a conference on guaranteed annual income.

Second, at such federal-provincial conferences, policy initiatives involving financing are discussed by provincial Treasurers and the Minister of Finance. The document I tabled was a finance study analysing the costs of implementing Mr. Lalonde's version of a guaranteed annual income.

Third, the Ontario study showed definitively that the federal government had grossly underestimated costs by \$2 billion a year, and demonstrated that there was no basic reform achieved by Lalonde's huge "add-on" support and supplemenation proposal.

To clarify what is obsolete and what is current about federal thinking on income security, let me establish several simple facts.

The September, 1975, federal proposal which Ontario analysed was the result of 2½ years' work. It was supported by seven volumes amounting to almost 1,000 pages of details and cost figures. Unfortunately, quantity overwhelmed quality in the federal documents. The more recent proposal of—

Mr. Roy: You just know you are in trouble when you require a statement like that.

Hon. Mr. McKeough: The more recent federal proposal, that of February, 1976, consists of eight pages and no details. Subsequent to Ontario's cost exposé of the only concrete proposal on the table—

Mr. Shore: Exposé? Oh, Darcy.

Mr. Singer: What security book are you bringing out next?

Hon. Mr. McKeough: Mr. Lalonde put a cost figure at \$350 million on his new eight-page plan. As well, this cost estimate is totally unsupported by any detail or documentation. When such necessary detail is provided, Ontario intends to do an accurate costing so that governments can make informed decisions rather than embark blindfolded on fiscal ferry rides.

Mr. Roy: Sounds like one of your reports.

Mr. Lewis: Are you starting to write your own speeches?

Mr. S. Smith: What a rationalization.

Mr. Cassidy: What is a fiscal fairy, if we could ask?

Hon. Mr. McKeough: Well, you would recognize them over there, I can tell you that—right in that group right there, there are a lot of them.

Interjections.

Mr. Roy: How about a little order?

Mr. Speaker: Order, please. Let's get on with the business of the House.

Mr. S. Smith: I think the Treasurer was better when Taylor did have him on a leash.

Mr. Lewis: I could take the Treasurer to the Human Rights Commission for that.

Mr. Speaker: Order.

Hon. Mr. McKeough: Mr. Speaker, the skimpy information we have been able to glean about Mr. Lalonde's new version of a guaranteed income is as follows.

Mr. S. Smith: You have at least learned that it is a new one.

Mr. Singer: The Treasurer will have to bring out another exposé.

Hon. Mr. McKeough: It drops out all single people and all childless couples under 55. This leaves families with children as the main clientele, generally the same group which currently receives family allowances.

Under this limited objective I leave it to the imagination of the leader of the third party whether this warrants a new programme with a fancy title, rather than some simple modifications to the existing family allowance programme.

I would like to conclude this therapy session with a simple moral. If we are to achieve real progress in Canada's income security system we must do it by reforming the existing mishmash of programmes—

Mr. S. Smith: And by refuting those that have already been withdrawn.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: —rather than adding on new programmes at great expense—

Interjections.

Hon. Mr. McKeough: —and further increasing the burden on working taxpayers.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McKeough: The Minister of Community and Social Services and I are in complete and regular communication and in total agreement on this approach to reforming Canada's income security system.

LANDLORD AND TENANT LAW REPORT

Hon. Mr. McMurtry: Mr. Speaker, today I will be tabling a report of the Ontario Law Reform Commission on landlord and tenant law.

Part I of the report deals with those aspects of the fundamental law of landlord and tenant which are applicable to all tenancies, whether residential or non-residential. While the technical topics dealt with in Part I are not of broad popular interest, the commission's discussion for these subjects is highly significant to those who desire to rid the statute law of useless, archaic doctrines and make it more relevant to contemporary social and economic needs.

Part II of the report is concerned with an examination of certain aspects of the law relating specifically to non-residential tenancies—for example, commercial, industrial and agricultural tenancies. Part II of this report deals with certain subjects which had previously been dealt with in the 1968 interim report. However, in that report they were dealt with in the context of residential tenan-

cies and in this report they are dealt with in the substantially different context of non-residential tenancies.

Part III of the report proposes a standard form tenancies agreement for all residential tenancies. The report contains a draft of a standard form agreement based on Part IV of the Landlord and Tenant Act prior to its recent amendment. The report also contains detailed proposals pertaining to the relationship between a standard form tenancy agreement and the Landlord and Tenant Act, the substantial provisions of a standard form agreement and the use of a standard form agreement. This part of the report should be of general interest to landlords and tenants of residential premises.

This major report contains, in all, 76 recommendations. The proposals contained in the report, if implemented, would require substantial revision of the Landlord and Tenant Act. While the report does contain some suggestions for draft legislation, considerable work would be required to translate the recommendations into legislative form.

My officials and I will be studying the implications of the report and will be analysing its recommendations in light of the recent amendments to the Act. This study and analysis will enable the government to develop an appropriate legislative response to the report.

[2:30]

TIMAGAMI AREA BUILDING FREEZE

Hon. Mr. McMurtry: Further, Mr. Speaker, I am pleased to provide an answer to a question asked by the member for Timiskaming (Mr. Bain) on April 1. He asked what steps the government is willing to take to resolve the caution placed by the Bear Island Indian Foundation.

In August, 1973, cautions were registered under the Land Titles Act on behalf of the Timagami, Bear Island, Indian band in respect of all unpatented land in 110 townships in the districts of Nipissing, Sudbury and Timiskaming. The 110 townships comprise about 4,000 square miles.

This action has caused inconvenience and concern to the public and to companies carrying on business in the area. Also, the Ministry of Natural Resources has been prevented from discharging its land administration responsibilities in the area since 1973; no freehold or leasehold interests have been registered in the 110 townships since that time.

The cautions were registered on the application of the Bear Island Foundation, which

claim that it is interested in the lands as assignee of the Timagami Band of Indians who are, it is alleged, "entitled to be registered as owner or owners of the land with possessory, absolute or qualified title."

The basis of the claim lies in the contention that neither the Timagami band as then constituted nor anyone acting for the band ever entered into a treaty surrendering its interest in the lands to which the caution applied, and no legislation has ever been enacted extinguishing that interest.

It must be recognized that it is not within the constitutional power of a provincial government to resolve unilaterally any Indian land claim, since the matter of "Indians and land reserved for the Indians" is within the exclusive jurisdiction of the federal government under the British North America Act.

However, the government of Ontario recognized a responsibility to have this matter resolved. To this end, following the imposition of the cautions, representatives of the province did visit the band to ascertain the reasons behind the imposition of the cautions and to learn exactly what the band was seeking to achieve. The discussions were unsuccessful on both counts.

On June 2, 1975, the lawyer for the Timagami band served notice under the Proceedings Against the Crown Act of his intention to seek redress on behalf of the band from the Province of Ontario "for past unlawful interferences, discontinuance or compensation for present unlawful interferences."

Nothing further has been heard from the band since this notice was received.

Mr. Renwick: Why should there be?

Hon. Mr. McMurtry: I am advised that the Ministry of Natural Resources is completing a detailed analysis of this problem as a basis for a decision on the further action that the government will take in the matter.

Mr. Lewis: About three years later.

Mr. R. S. Smith: That's what you said two years ago.

Hon. Mr. McMurtry: In the meantime, no steps have been taken by the government to apply to the courts for a legal resolution of this problem, because it has been considered that every avenue of negotiation should be explored in order to avoid the confrontation that would result from legal action—

Mr. Lewis: Good! Just get Natural Resources going.

Hon. Mr. McMurtry: —not to mention the fact that such action if necessary would be protracted and expensive.

Mr. Renwick: Legal action is not a confrontation. It is a resolution of the problems.

Mr. Lewis: Well, if the Ministry of Natural Resources—

Mr. Speaker: Order, please.

Mr. Lewis: Why wait three years to do that?

Mr. Speaker: Order, please.

Mr. S. Smith: Give them a penalty.

Mr. R. S. Smith: They haven't had anybody up there for two years.

Mr. Speaker: Oral questions.

COW-CALF STABILIZATION PLAN

Mr. Lewis: First, Mr. Speaker, a question to the Minister of Agriculture and Food. In rough dollar terms, how much money was spent in the last fiscal year on the cow-calf stabilization plan? Does the minister recall?

Hon. W. Newman: Mr. Speaker, in the last year the cow-calf stabilization programme took in about \$1½ million and the total payout was about \$22 million, if I remember correctly.

Mr. Lewis: By way of supplementary, would it be fair to say then that the \$25 million under the farm income stabilization programme this year will go largely, if not exclusively, to the cow-calf stabilization plan?

Hon. W. Newman: No, not necessarily, because there's a good possibility that Ottawa may get involved in the cow-calf programme. We don't know at this moment in time whether they will or whether they won't. That's what's made it very difficult. That's why I made the statement today about the cow-calf programme in Ontario. I have no idea exactly how many will be enrolled.

Mr. Lewis: But, by way of supplementary, isn't it true, in fact, that the minister is engaged here in a not very elegant sleight-of-hand to call the cow-calf stabilization plan a farm income stabilization plan, which he really has no intention of implementing with dollars attached to it? What a lot of nonsense.

Mr. Speaker: Order, please.

Mr. Cassidy: That's right, another deception.

Hon. W. Newman: With irresponsible people like the Leader of the Opposition, and I say it advisedly, who don't understand the kinds of programmes we are implementing, who don't understand what stabilization is all about, who don't really fully understand it—

Mr. Lewis: Your agricultural land policy is incomprehensible.

Hon. W. Newman: Just let me finish. You asked the question.

Mr. Cassidy: Come on.

Hon. W. Newman: I said this would be a voluntary programme and the farmers would be putting in a portion too. Similarly the feds will probably put in a portion too and we could probably take this figure from \$25 million to \$75 million very easily with the input from both the feds and the farmers who are involved.

RENT REVIEW

Mr. Lewis: May I ask the Minister of Consumer and Commercial Relations a question? Is he prepared to consider the requests that have been made to the government by the various public housing tenants' associations, the Rent-Geared-to-Income Tenants' Association, that they would be willing to be removed from the rent control legislation in Ontario if the government of Ontario would renegotiate a new geared-to-income rent formula with the federal government, which has not been renegotiated since 1969, and give to those tenants' groups some voice on their respective boards? Is the minister prepared to undertake to do that in advance of this legislation?

Hon. Mr. Handleman: First of all, I don't think the two problems are related.

Mrs. Campbell: They are related.

Hon. Mr. Handleman: We are not negotiating being in or out of the rent review programme. I recognize the concern of the public housing tenants with regard to the rent-geared-to-income scale. My colleague, the Minister of Housing (Mr. Rhodes), is working on that problem now but it is not a condition of being in or out. I think it is a condition that has existed for quite some time and I am sure my colleague will be able to deal with it in a very equitable manner.

FIRST MINISTERS' CONFERENCE

Mr. Lewis: A question, if I may, of the Premier: Is it not possible for the Premier to

say that he will attend the private meeting in May with the Prime Minister but he intends to make public the deliberations of that meeting so that, in fact, the public will know what has taken place, and that he undertakes to do that in advance of the privacy which he himself has repudiated and let everyone know, including the Prime Minister of Canada, that we won't be party to that kind of an arrangement?

Hon. Mr. Davis: I think it is kind of obvious that the position of Ontario will be made public prior to the meeting.

Mr. Lewis: Ours will be, yes.

Hon. Mr. Davis: I think it will also be obvious to the public, whatever emerges from the meeting. Those two positions may be at variance but the people will know the position I have taken and they will know the conclusion that is arrived at by the meeting of first ministers.

Mr. Lewis: By way of supplementary, is the Premier prepared to undertake in advance to inform the public of the discussions that took place during the course of that meeting and the positions put by the various principals?

Hon. Mr. Davis: I don't think it will be necessary. I think it is very obvious that some provinces will be requesting a certain figure and other provinces will be suggesting, as we have, an alternative, and I think it is fairly obvious that the federal government will make a decision. I don't think one need even get into a question of going to what is a private meeting—and I have asked for it to be public—and being asked by my hon. friend to disclose in a public way what may be said in confidence by some of the first ministers of this country. Certainly, as far as I am concerned, I am more than prepared to make public what I say, and I think really that is the important part of it.

Mr. Kerrio: Get the Minister of Housing (Mr. Rhodes) to do it for Ontario Housing.

MONTFORT HOSPITAL

Mr. Lewis: I have a question, if I may, to the acting Minister of Health: I am tempted to ask the minister what, in any possible explanation, is going on at the Montfort Hospital in Ottawa in its negotiations with the ministry. But let me put the question to her this way: Is it true that Mr. Clusiau, the executive director of the institutional operations branch of the ministry,

phoned the Montfort Hospital on Tuesday afternoon and told them that their psychiatric wing was closed down, resulting in anxious and frantic staff meetings throughout the day yesterday, not to mention the board, and then phoned back this morning to tell the hospital that in the 48 hours money had been found and their psychiatric wing would remain open?

Hon. B. Stephenson: The facts of the case are these. Last July, the 30-bed wing of the Montfort Hospital was approved for psychiatric service. There has been a great deal of delay, apparently, in readying that wing for the service and the hospital was to make application for the opening of those 30 beds to the ministry. Without notifying the ministry, they did open 15 beds. There was no provision for funding because the ministry had not been notified that the hospital was about to open the 15 beds—

Mr. Lewis: Oh come on. You have the budget before you.

Hon. B. Stephenson: —as they were supposed to do. When the occasion arose that they asked for funds to fund the 15-bed unit, which they had opened unilaterally, they were informed that there were no funds at that point. However, we have ensured that the funding will be ready for the 15-bed unit as of today.

Mr. Roy: Supplementary?

Mr. Speaker: The Leader of the Opposition with a supplementary first.

Mr. Lewis: Is the minister denying that the director of the institutional operations branch knew for some considerable time that the psychiatric unit was open and functioning? After all, the Minister of Health (Mr. F. S. Miller) was supposed to open it, and everybody knew that. That was one of the reasons for the delay. But that aside, is the minister denying that a phone call was made to close that psychiatric wing down, and then 48 hours later reversed?

Hon. B. Stephenson: Mr. Speaker, I am not denying that any such phone calls were made. I do not know whether such phone calls were made; but I shall find out whether they were or not. I would not deny that.

Mr. Roy: Supplementary: How is it, first of all, that the minister didn't know that decision was made? Secondly, when decisions are made of that magnitude, does the minister leave that to just a civil servant like Mr. Clusiau? Thirdly, is there any truth to the comments that he made to the administrator

that not only were they going to remove about \$912,000 from the Montfort Hospital, but they were looking for another \$7 million in the Ottawa area?

Hon. B. Stephenson: In answer to the third question, I have no idea whether that statement was made or not. I shall attempt to find out whether such information was transmitted.

Mr. Roy: It was. It was made.

Hon. B. Stephenson: This is hearsay and I will—

Mr. Roy: What do you rely on?

Mr. Speaker: Order, please. The question is being answered.

Hon. B. Stephenson: The request, I gather, was made by Mr. Clusiau that he had no authorization to fund the 15 beds which had been opened, because the hospital had failed to notify the ministry as they are supposed to do so that the funding could begin.

Mr. Lewis: Oh, come on. You are too much.

Mr. Roy: Could the minister advise how her ministry did not know that the psychiatric wing was open, when I have a letter here dated April 14, 1976, when they are discussing whether weekend leave should be given to patients in that psychiatric unit? Does one hand not know what the other hand is doing in the ministry?

Hon. B. Stephenson: I have not seen a copy of that letter, Mr. Speaker. I would like to see that letter.

Mr. Roy: Well, I will send it to her.

Mr. Lewis: One final supplementary, to the acting Minister of Health: Since she made an error in the ministry in her calculation of 27 beds for the Great War Memorial Hospital in Perth, since she made an error in the ministry of \$432,000 for the South Waterloo Memorial Hospital, since she made an error in her ministry of over \$200,000 for the Owen Sound General and Marine Hospital, and now this fiasco with Montfort, isn't it about time she cleaned up the incompetence of the Ministry of Health in its dealings with hospitals all over this province?

Hon. B. Stephenson: Mr. Speaker, to my knowledge, there were no errors made regarding the Owen Sound General and Marine Hospital. There were calculations based on differences regarding the services provided;

the same thing at Waterloo. In fact, there were no errors made except on the basis of lack of information as provided by the hospital in terms of the Great War Memorial Hospital in Perth. We may have made some errors, and I shall not deny that the members of the staff of the Ministry of Health are not infallible—unlike the members, of course, of the official opposition. The official opposition, of course, believe that they are totally infallible. We have no such illusions. However, we do attempt to do the best job possible, and we shall continue to do so on behalf of the people of this province.

Mr. Speaker: Any further questions; the Leader of the Opposition?

Mr. Roy: Can I ask a supplementary?

Mr. Speaker: No, I said that was a final supplementary. This is getting to be a debate.

Mr. Roy: That is what we want—a debate. We would love a debate.

Mr. Speaker: Order, please. Not at this period. That was a final supplementary. The member for Hamilton West with a question.

Hon. Mr. Davis: Get into the debate.

Mr. Roy: I will. I will.

BROWNDALÉ OPERATIONS

Mr. S. Smith: A question for the Attorney General: What is going on, Mr. Attorney General? Can he tell the House really what is happening with Browndale? I realize that he is very busy—the playoffs are on and all that—but seriously, how can—
[2:45]

Interjections.

Mr. Speaker: Order, please. Will the member place the question?

Mr. S. Smith: How can it be that the official in the Attorney General's department denies that the Ontario Provincial Police have in fact started inquiries, that he now refuses to back up the Attorney General in his statement that there is an Ontario Provincial Police inquiry into Browndale? What is happening there? Is there or is there not a police inquiry? Will there be a public inquiry into the financial affairs of Browndale? Can we expect some real action and not just a runaround between Health and the Attorney General and his officials?

Hon. Mr. McMurtry: Mr. Speaker, the leader of the Liberal Party is very much in

error when he states that any official in my ministry stated that the Ontario Provincial Police were not involved.

Mr. Reid: They are all at the hockey games.

Hon. Mr. McMurtry: The fact of the matter is that the Ontario Provincial Police have had these documents for some weeks. What I learned after the leader of the Liberal Party's question the other day was that the OPP had, together with the official in my ministry looking after the matter, decided that fundamental to any effective investigation was a complete audit of the Browndale operation and I am advised by the Ministry of Health that this audit will be complete by tomorrow.

Mr. Eakins: The audit is finished.

Mr. Reid: They are not very good with figures.

Mr. Speaker: Order, please.

Hon. Mr. McMurtry: And this will enable them to pursue the investigation that I referred to the other day.

Mr. Eakins: Why don't you table the audit? It is completed.

Mr. Speaker: Any further questions?

Interjections.

Mr. Speaker: The member for Hamilton West with a supplementary first.

Mr. S. Smith: As a supplementary on this—

Mr. Yakabuski: You have a lot of gall, Stephen, asking a supplementary. Still on the payroll?

Mr. Speaker: Order, please. The member for Hamilton West.

Mr. S. Smith: —can the Attorney General give us any assurance that a hearing will be held at which people who wish to bring evidence can come forward, people who have informed some of us that they have very important evidence to give but who cannot come forward unless subpoenaed under oath? Can the Attorney General assure us that the affairs of this so-called non-profit organization, which has so many dealings with a number of highly profit-making aspects of a very large empire, will be brought to public light and scrutiny by means of a judicial inquiry of some kind?

Hon. Mr. McMurtry: At this point it's much too premature to suggest that any judicial

inquiry is warranted. But I would suggest to the leader of the Liberal Party that he exercise his responsibility. If there is something rotten in the whole Browndale situation, as he said on the radio yesterday—

Mr. S. Smith: There is plenty.

Hon. Mr. McMurtry: —and if he has a lot of evidence accumulated—

Mr. S. Smith: And I do.

Hon. Mr. McMurtry: —by his research staff, as he said yesterday, then he has a responsibility to turn it over to us and the Ontario Provincial Police.

Interjections.

An hon. member: Put your money where your mouth is.

Mr. S. Smith: Just ask for it and you'll get it.

Mr. Speaker: Order, please. The hon. member for Hamilton West asked a supplementary. The hon. Leader of the Opposition, I believe, had one—does he still have one?

Mr. Lewis: In order to clear the air or to clarify matters as soon as possible, can an undertaking be given that the results of the audit and whatever it shows be tabled in the House and a statement be made to the Legislature as soon as possible?

Hon. Mr. McMurtry: I see no reason why that cannot be done, Mr. Speaker.

Mr. S. Smith: Continuing the same line of questioning, can the Attorney General not imagine a situation where information has been brought forward but which, unless provided under oath at a judicial inquiry, could be considered very damaging to people's reputations and also damaging to those who provided the information? Can the Attorney General not possibly understand that a judicial inquiry is the only place that such evidence can actually be presented?

Hon. Mr. McMurtry: Mr. Speaker, my position has always been that judicial inquiries should not be used to go on fishing expeditions; that is simply an abuse of the process. A lot of people are victimized needlessly if this is the type of approach that the member is so enthusiastic about recommending. We must have some reasonable evidence on which to base the calling of such an inquiry, as you suggest. Again, I invite the member to turn over to us any relevant material that he has in his possession.

Mr. S. Smith: The minister has only to come and ask for it.

PRIVATE LABORATORIES

Mr. S. Smith: I have another question of the Attorney General. This has to do with the statement I made in the Legislature on March 12 concerning certain doings in the private laboratory situation in Hamilton. Can he tell us now whether he is prepared to order an investigation into that situation—the one that was promised by the Premier (Mr. Davis)—a public investigation into the private laboratory arrangements in this province? To assist the Attorney General I will now tell him that the name of the firm I referred to on March 12 in Hamilton is S and M Laboratories Ltd.—it's not Smith and McMurtry—and that particular firm is the firm which is alleged in my statement of March 12 to have offered improper arrangements. Since March 12 no one from the ministry has spoken to me; perhaps the minister could explain why. Is he prepared to make good on the Premier's promise of having a judicial inquiry into the private lab system in this province?

Hon. Mr. McMurtry: Firstly, I know of no such promise made by the Premier. Secondly, the Ontario Provincial Police are looking at a number of labs in Ontario and I will certainly ask them to contact the leader of the Liberal Party or his office, in order to benefit from any information he may have in respect to the lab he has just identified.

Mr. Lewis: By way of supplementary, could I ask the Attorney General please to phone the leader of the Liberal Party on a regular basis to request such information so it need not be done here?

Mr. S. Smith: That was really hilarious, Mr. Speaker. Six weeks ago I announced it in the House and I have not heard from the Attorney General. That's a hilarious comment, really.

G.A.I.N.S. CONFERENCE

Mr. S. Smith: I would like to ask a question of the Treasurer with regard to the fairy tale he was telling us or his reality therapy which sounded to me more like play therapy or dream analysis. Could he explain to me how it is that Mr. Johnson of the Globe and Mail, could say the Treasurer was apparently unaware that the proposal of last year with regard to the guaranteed annual income had

been withdrawn and a new proposal, welcomed by all the provinces, had been put in its place? Why did he not acknowledge, when he made his rather sensational accusations and denunciations of the federal plan that that plan had already been withdrawn in response to provincial pressures?

Hon. Mr. McKeough: Mr. Speaker, I would acknowledge that that was withdrawn. There is no great secret about that.

Mr. S. Smith: Why didn't you acknowledge it then?

Hon. Mr. McKeough: Nevertheless, I think that it is of interest to the taxpayers of Canada—

Mr. Roy: Shout.

Mr. S. Smith: Why didn't you acknowledge it at the time?

Hon. Mr. McKeough: You are proving to be a bigger apologist for Pierre Elliott Trudeau than Bob Nixon ever was. You really are.

Mr. S. Smith: Run on your record, Darcy.

Interjections.

Hon. Mr. McKeough: You are so much in the pockets of Ottawa it's pathetic. Just pathetic.

Mr. S. Smith: You are going to have to run on your record, not the federal Liberals'.

Mr. Kerrio: You're in bed with Ottawa, Darcy.

Mr. Speaker, Order, please. Could we get back to the answer now?

Hon. Mr. McKeough: You could almost bet that at that annual meeting you won't get out of the federal hip-pockets. You will just stay there; you like it; you eat at it, you just love it.

I think it is of interest to the people of Canada that a plan which was documented by the federal government, 1,000 pages, 2½ years, happens to be out by \$2 billion, I think that is of some interest to the taxpayers of this country and we will go on doing that sort of thing.

Mr. Roy: All sound and fury.

Interjections.

Mr. Speaker: Order, please.

CHEDOKE HOSPITAL

Mr. S. Smith: A question for the acting Minister of Health: With regard to Chedoke Hospital and the regional health council and her statement of two days ago, could the minister explain why, if she was so pleased with the wonderfully valid proposals made by the health council, she felt compelled to make some form of counter-proposal, as she termed it, which takes the very guts out of the proposal the health council itself made?

Hon. B. Stephenson: Mr. Speaker, I doubt very much if the counter-proposal which I did make removed anything from the proposal which the district health council made. It was discussed at the time of our meeting. I asked at that time for validation of their proposal and in my response to them reminded them that I had asked for that validation and about my request that they consider that route. I am still awaiting their decision. I gather they are having a meeting today. They had one meeting yesterday. I think they are meeting again today and they are considering this. I am sure we will be hearing from them.

Mr. Deans: Can I ask the minister, with reference to the sentence in her letter which says, "It would be entirely acceptable to reduce the present active treatment bed capacity at Chedoke to 100," whether that means they must, or they may not, or what exactly does it mean? Would it be equally acceptable if they just simply told her that what they proposed to her is what they believed they can accomplish and they're prepared to proceed on that basis?

Hon. B. Stephenson: Mr. Speaker, as someone who attempts to be fairly reasonable in all discussions and all negotiations, I made a request of the district health council that they consider my proposal to them. I am asking that they consider that proposal and if they do not agree with it, that they give me the valid arguments supporting their point of view, which is what I would like to hear.

Mr. Cunningham: Would the minister be kind enough, in the context of the discussion on Chedoke Hospital, to give us, through the House to the people in the Hamilton area, the names of the four people who met with her deputy minister before the new health council was formed, on the subject of the future of Chedoke Hospital?

Hon. B. Stephenson: I am sorry, Mr. Speaker, I cannot do that at the moment,

because I don't know which of the members they were.

Mr. Deans: May I ask the minister, am I wrong in my recollection that all that was asked of the municipality, the health board and the hospitals involved, was that they reduce the number of active treatment beds to 1,967 or thereabouts? The actual number I don't recall. Am I further wrong that they did, by their proposal, do just that, and if I am correct in that assumption, then why doesn't the minister leave them alone? Why is she bugging them so?

Hon. B. Stephenson: Mr. Speaker, I do not believe that I am bugging or badgering the Hamilton district health council at all.

Mr. Deans: You are.

Hon. B. Stephenson: I have asked a reasonable question. I anticipate from them a reasonable response.

Mr. Deans: But they gave you a reasonable response.

Hon. B. Stephenson: At this time, I will tell the member that he is a little bit wrong, because they did not make the reductions which we had requested of them, but he is not wrong in suggesting that they have a programme for reducing which almost meets the requirements, but not quite.

Mr. Lewis: Why not leave them alone?

Mr. Deans: What are you trying to do to the people of Hamilton?

Mr. Lewis: You are out of control in that ministry.

Mr. Cunningham: What I am asking is, would the minister ask her deputy, Mr. Backley, to indicate to her who these four individuals were who met with him on this subject before the formation of this new health council; people who, in fact, were not on the health council, but ostensibly purported to represent the people of this area?

Hon. B. Stephenson: Mr. Speaker, I shall try to find out from the deputy minister, Mr. Backley, who the people were. It is my understanding that they were members of the previous health council.

LAURENTIAN HOSPITAL

Mr. Martel: A question of the acting Minister of Health: Why was the Ministry of Health willing to use what it now considers

an illegal board at Laurentian Hospital to oust the Grey Nuns, and why at this point in time is the minister appointing a new hospital board?

Hon. B. Stephenson: Mr. Speaker, as the hon. member knows, Judge Waisberg, who is an eminent jurist in this province, was appointed as a commissioner to examine the problems inherent in the Laurentian Hospital. His very first report to the ministry was the advice that he considered the present board of the hospital to be improperly constituted and illegally appointed, and his second recommendation was that we immediately ask that board to resign and that we appoint an interim board to function until the annual general meeting of the corporation of that hospital.

Because we felt Judge Waisberg's advice was valid advice and should be adhered to, we immediately contacted the hospital planning council in Sudbury, the chairman of the regional government, the present chairman of the board of that hospital, discussed the matter with them, asked for nominees to the board, and we suggested to them that it was the responsibility and probably, not probably but very definitely, the right of the individual groups within Sudbury to make those nominations at this time.

They selected three people from each of the two groups which I have mentioned. The regional hospital council and the regional council each nominated three persons, bearing in mind our direction regarding the need for balance of anglophone and francophone. They each submitted three names and we appointed each of those individuals without question.

[3:00]

Mr. Germa: Is the minister not aware that the board which she has dismissed has publicly refused to resign? There are, consequently, two boards of governors for one hospital. Would she not consider introducing a little democracy into the system by having the board of governors of the Laurentian Hospital elected at the next municipal election?

Mr. Cassidy: That is a better idea.

Hon. B. Stephenson: Mr. Speaker, if that is the decision of the corporation of the Laurentian Hospital then it most certainly can be done. The appointment of the interim board is only to function until the time of the annual meeting of the corporation.

Mr. Germa: In Judge Waisberg's interim report did he make any mention of laying

criminal charges against certain people on that board?

Hon. B. Stephenson: Mr. Speaker, the interim report had two recommendations, both of which I have reported to you fully. It had no other documentation at that time.

DRUG BENEFIT PLAN

Mr. Spence: Mr. Speaker, I have a question of the acting Minister of Health. I've received a number of complaints from senior citizens regarding drugs listed on the Ontario drug plan. Valium which is listed on the drug plan is not very effective to many senior citizens. One that is most effective is a brand-name drug called Roche five-milligram Valium. Is the minister contemplating making a re-evaluation of the effectiveness of the drugs on the drug plan of the Province of Ontario?

Hon. B. Stephenson: Mr. Speaker, the drugs which are listed in the drug benefit plan are those which are approved under either the Quad programme or the Parcost programme in the Province of Ontario and they are of equal therapeutic value.

Mr. Spence: Mr. Speaker, senior citizens find many of these drugs ineffective. Is there any way that those senior citizens who find it a hardship to pay for the brand-name drug, which is, they say, effective, can be helped?

Hon. B. Stephenson: Mr. Speaker, could I suggest that the hon. member speak to his leader, because I'm sure that his leader will give him some pharmaco-therapeutic advice regarding the equalization of therapeutic effectiveness of the drug which is available as Valium on the plan—

Hon. J. R. Smith: It's all in the mind.

Hon. B. Stephenson: —and that which is listed as Roche Valium, which I will tell you is four times as expensive.

Mr. R. S. Smith: I've got to see Darcy first.

Mr. Lewis: It sounds like a psychoanalytical tournament around here.

Mr. Speaker: Order, please. This will be the final supplementary. The member for Nipissing.

Mr. R. S. Smith: I just have a quick supplementary. I would just like to ask the

minister if it's not true that if the doctor indicates by letter to her ministry that he would like a certain drug used in many instances—a non-generic drug, a specific brand-name drug—it is paid for by the ministry whether it be on the Parcost index or not, or the Quad index?

Hon. B. Stephenson: Mr. Speaker, I believe where there is no therapeutic equivalent within the benefit plan that, in fact, does happen. Where there is a therapeutic equivalent within the drug benefit plan I do not believe that it does happen.

HOSPITAL CLOSINGS

Mr. Grossman: I too have a question of the acting Minister of Health. It's been some 10 days since the announcement that the Doctors Hospital would be changed over to a community health care clinic. I wonder what specific steps the ministry has taken through the various committees which have been formed to contact the staff to assist them in getting relocated? They're getting very anxious with the passage of time.

Mr. Roy: Have you resigned yet?

Mr. Grossman: I'm still here, Albert.

Mr. Roy: It is obvious that you are still here.

Hon. B. Stephenson: Mr. Speaker, with the assistance of representatives of the municipal government of the city of Toronto, the Ministry of Health is establishing the task force which is in the process of examining and organizing the ambulatory care centre for Doctors Hospital.

Mr. Eakins: For all centres?

Hon. B. Stephenson: At the same time, the Evans committee is functioning when requested to do so by the physicians on the staff.

In addition, a committee made up of the union leaders, representatives of the Ministry of Health, representatives of the OHA, representatives of the Ministry of Labour and representatives of Manpower Canada have organized and have held personnel conferences and are presently establishing specific centres in various Manpower offices for hospital workers. This week they will be bringing their outreach programme into the various hospitals involved, to bring to those hospitals Manpower consultants and counsellors who will be able to assist the people who are

being terminated in finding new employment in similar jobs, providing them with information regarding upgrading educational programmes and providing them with information regarding transfers to other areas.

Mr. Grossman: Mr. Speaker, a supplementary question: Will each and every employee in the Doctors Hospital be contacted personally within the next seven or eight days?

Mr. Lewis: Not likely.

Hon. B. Stephenson: Mr. Speaker, I would hope it would be within the next seven or eight days. Most certainly the Manpower officer and counsellor will be within that hospital within the very near future.

Mr. Singer: If not, you will resign.

Mr. B. Newman: May I ask the minister if the field workers will extend to all parts of the province, so that the city of Windsor, having lost a substantial number of job opportunities, will have the benefit of those services?

Hon. B. Stephenson: Mr. Speaker, we have had marvellous co-operation from Canada Manpower and they are, in fact, going to be—

Mr. Roy: Say that loudly.

Mr. Peterson: They are federal. Tell that to the Treasurer.

Mr. Singer: You are an apologist for those people in Ottawa.

Mr. S. Smith: You must be in bed with them.

Hon. B. Stephenson: I will say this very loudly; I will say this very loudly because they have provided us with a great deal of support and a good deal of encouragement and active participation in this programme of employment adjustment for these workers. They will be functioning throughout Ontario.

CHEESE PLANT FOR EASTERN ONTARIO

Mr. MacDonald: A question of the Minister of Agriculture and Food: Could the minister advise us what is the present status of the application of Saputo Cheese Ltd. of Montreal for a permit to build a specialty cheese manufacturing plant in eastern Ontario?

Hon. W. Newman: Mr. Speaker, the marketing people who were here have called for an application for a hearing. They sent out

notices to all the people involved. They have set a date for the hearing; I think it is towards the end of this month.

Mr. MacDonald: Is it accurate that the ministry or the government, subtly or otherwise, is expressing opposition to this proposal? And if so, how does the minister reconcile it with his elaborate efforts for regional development of resources in eastern Ontario?

Hon. W. Newman: Mr. Speaker, it is not my intention to interfere with the process of any application. It goes from there, if necessary, to the Ontario Milk Commission. Then it is to be dealt with in the appropriate manner and any facts that are involved will come out at that time.

Mr. MacDonald: I understand there was a meeting of the milk commission yesterday at which this issue was discussed. What was its role at this point?

Hon. W. Newman: Mr. Speaker, I am not aware of the milk commission meeting on that particular point. I know they are meeting to discuss industrial milk problems, I discussed that matter with them this morning. We will also be meeting with them this afternoon. I understand they were discussing mainly the milk problem. I have no knowledge of the milk commission having a hearing, at this point in time, on the Saputo application.

MONTFORT HOSPITAL

Mr. Roy: Mr. Speaker, a question of the acting Minister of Health, if I can have her attention here, dealing with the Montfort Hospital again. There was a suggestion in her answer that her ministry was not aware of the openings. I wonder if the ministry is aware of a letter dated April 14, 1976, from the institutional division, budgets' branch, Ministry of Health, which sends a letter to the Montfort Hospital and says: "I am writing to you in reply to your telephone query regarding psychiatric patients on weekend leave."

Now how does the minister explain this type of correspondence going back and forth between her ministry and the psychiatric unit at the Montfort Hospital, and her answer here today that they were not aware that the unit was, in fact, open on March 1?

Hon. B. Stephenson: Mr. Speaker, the formal correspondence which must take place before beds can be put into service, and the agreement which is signed between the ministry and the hospital to have those beds in service, has not as yet been completed.

Mr. Roy: Yes, but a supplementary, just to answer my question: Did her ministry know or not know that the unit was, in fact, functioning since March 1; and was she not aware, as minister, that the official opening as such was delayed to allow her predecessor—I should say the inactive Minister of Health (Mr. F. S. Miller)—to give him some time to recuperate and come and open the psychiatric centre? The only reasons for the delay were for his convenience.

Mr. Lewis: Of course they were.

Mr. Reid: The inactive?

Hon. B. Stephenson: Mr. Speaker, that's very interesting information which I did not know. I've had a great many other things to think about besides the opening of Montfort Hospital's psychiatric unit. But to my knowledge the information which is necessary to flow from the hospital, the documentation which is necessary, has not as yet been completed; and they really shouldn't be funded yet.

Mr. Lewis: That's right; that was a request from your ministry.

Hon. B. Stephenson: They should not be; but they will be out of the generosity of the hearts of the staff of the Ministry of Health.

Interjections.

Mr. Cassidy: Supplementary, Mr. Speaker: Since this reaches right up into the deputy minister's office, from which a call went to ask for the deferral of the official opening; and since they therefore must have been aware that the operation of the psychiatric end of it was operating, does the minister only rely on what she sees in writing and not what people tell her over the phone, or when she visits? Is this the way the Ministry of Health operates?

Mr. Speaker: Order, please.

Hon. B. Stephenson: Mr. Speaker, the hon. member knows full well that the official opening of a unit very frequently has nothing to do with whether the beds are being used by patients or not; nothing.

Mr. Cassidy: Exactly; exactly.

Interjections.

Mr. Roy: Mr. Speaker, can I ask one final supplementary.

Mr. Speaker: Order, please; that was the final supplementary. The hon. Minister of Government Services has the answer to a question asked previously.

Mr. Lewis: You had \$600,000 for renovations in May of 1975 for the opening, and your ministry knew about it.

Mr. Speaker: The time is nearly up and there are many other questions; it has been pursued twice this afternoon.

Mr. Roy: Just a short one.

Mr. Speaker: Order please; no.

Mr. Roy: You are protecting her.

Hon. B. Stephenson: By all means go right ahead.

PENSIONS FOR FORMER MPPs ON GOVERNMENT BOARDS

Hon. Mrs. Scrivener: Mr. Speaker, I would like to reply to the question asked by the member for Ottawa East on Tuesday concerning the Legislative Assembly Retirement Allowances Act, 1973.

Mr. Roy: This should be good; yes.

Hon. Mrs. Scrivener: Any former member of the legislative assembly who has contributed to the fund, and who has five or more years of service, is entitled to an annual allowance payable on a formula basis, according to age.

This eligibility remains constant, and is paid irrespective of any other income or occupation, except in one instance. The only occasion when a former member is not entitled to his allowance is in the specific instance of his re-election to the Legislature. In this case, the allowance would be suspended while the individual remained a member of the Legislature.

Mr. Bullbrook: Well, they do get it.

Hon. Mrs. Scrivener: I would remind the member for Ottawa East that the Legislative Assembly Retirement Allowances Act was passed with a minimum of debate in December, 1973, replacing earlier legislation. It carried with the consent of all parties in the House.

Mr. R. S. Smith: You mean Allan Grossman is getting \$50,000 a year.

Mr. Roy: Can I ask a supplementary?

Mr. Speaker: Yes; the member for Ottawa East.

Mr. Roy: Could the minister respond: Does she think it right that a former member of the Legislature making \$38,000 a year from the

province should get in addition to that a pension of probably \$15,000 or \$18,000 a year?

Hon. Mr. Handleman: Have you spoken to him lately?

Mr. Breithaupt: It is not included for the feds.

Hon. Mr. Scrivener: Mr. Speaker, I think it is quite irrelevant what I think. It is my role to administer the Act as it was approved in this House.

Interjections.

Mr. Speaker: Order, please.

Mr. Reid: Bring in legislation to fix it.

Hon. Mrs. Scrivener: The member's most distinguished colleague, Mr. Farquhar Oliver, is a recipient of the pension; he was on the Camp commission and he is now a member of the election expenses commission.

Interjections.

Mr. Speaker: Order, please.

Mr. Bullbrook: It doesn't make any difference.

An hon. member: Are you blind?

An hon. member: He is making more than the Premier is.

Hon. Mr. Davis: That is not hard.

Mr. Speaker: Order, please. We can't even hear the answer to the question; order please.

Mr. Bullbrook: Can you imagine that response? Farquhar Oliver gets it, so it means it is right.

PRESERVATION OF NIAGARA FRUITLAND

Mr. Swart: A question, Mr. Speaker, of the Minister of Agriculture and Food.

Interjections.

Mr. Speaker: Order, please.

Mr. Swart: Is the minister aware of an announcement made last week about the construction of a major plant in the Beamsville area in the heart of the Niagara fruitland which follows, of course, the construction of a major plant by John Deere in the Grimsby area and the proposal for the expansion of the plant there in the Vineland area?

Hon. Mr. Henderson: You voted for it too.

Mr. Swart: What does the minister intend to do in the near future, or now, to stop the increasing trend in the Niagara Peninsula for development to take place on the very best land, the fruitlands?

[3:15]

Hon. W. Newman: Mr. Speaker, if the member had been listening to some of the comments I've been making around the province regarding the Niagara region and the preservation of agricultural lands, he would know we have had a great deal of input regarding the Niagara regional plan from our food and development branch. There has been some delay in the Niagara region plan because of our discussions. As a result of our discussions, some boundaries have been pulled in to preserve this fruitland for future use in the Niagara Peninsula.

Mr. Swart: A short supplementary: Is the minister aware that in fact no boundary changes have been made yet and that, with respect to the request of the Niagara regional council that the municipalities be given more time for normal development, the Ministry of Housing has stated: "We support the approach that would permit a reasonable rate of growth for several years of normal development in all urban areas"—

Mr. Shore: This is a short supplementary?

Mr. S. Smith: He should have asked for a long supplementary.

Mr. Swart: —and even the Ministry of Agriculture and Food has stated, "We would agree that all municipalities should be permitted several years of normal development at the regional average rate"? Would the minister care to comment on this?

Interjections.

Hon. W. Newman: Mr. Speaker, if the NDP wants to bring a halt to everything, all at once, then let the members of that party say so.

Mr. Shore: Give it to him, Bill.

Interjections.

Hon. W. Newman: They shouldn't talk in that party about lifting land freezes and putting land freezes back on. Why don't they develop a policy over there so they know where they're going?

Interjections.

Mr. Swart: Mr. Speaker—

Mr. Speaker: No, that short supplementary was too long. The member for Huron-Middlesex with a question.

Hon. W. Newman: Why didn't the member ask a question about that last night?

Mr. Lewis: We wouldn't ask you about your statistics.

Hon. W. Newman: Go ahead and ask.

Interjections.

Mr. Speaker: Order, please. Will the hon. members refrain from making interjections, please? We're making this a shambles. You're doing it. It's your question period; if you want to spoil it, that's fine.

The member for Huron-Middlesex may ask a question.

TILE DRAINAGE LOANS

Mr. Riddell: Thank you, Mr. Speaker, a question of the Minister of Agriculture and Feud—and Food.

Some hon. members: Feud!

Mr. Ruston: He's feuding now!

Mr. Riddell: In view of the restriction on the availability of money for farm drainage loans, can the minister advise how the townships are expected to live up to their commitments, not knowing that there were going to be restrictions when they approved the loan applications? And can the minister advise how the farmers are expected to pay for the tile already installed on the strength of the fact that the loan would be coming through from the townships?

Hon. W. Newman: Mr. Speaker, as the hon. member knows, the allocation in the budget is now \$13 million, which is approximately the same as it was last year. It's gone up very rapidly from \$4.5 million about three years ago, but because of the constraints within the ministry this year, it was held at \$13 million.

What we are doing right now, because the announcement could not be made until the budget came down, is we are now putting a further letter in place to all the municipalities in the Province of Ontario asking them what they have committed and what they have not committed at this point in time, so we can look at the overall picture to see how far some municipalities have committed themselves and how far some of them have not

committed themselves, so we can have a look at the whole matter.

Mr. Eaton: You already knew that. You were told that on the phone this morning.

Mr. Riddell: Mr. Speaker, a supplementary. Just a quick one?

Mr. Speaker: There are just a few seconds left. If it's just a short supplementary, we'll allow it.

Mr. Riddell: In view of the fact that assistance might not be forthcoming to these townships that have over-committed themselves, is the minister aware that because of the budget restraints, the manufacturers of the tile and the drainage contractors might well have to take forceful action with the farmers, placing them in a position where they might have to borrow from the bank at higher rates of interest, assuming they had sufficient creditworthiness to do so, or remortgage their assets to obtain money to pay both the contractors and the suppliers?

Mr. Speaker: Thank you, thank you.

Mr. Singer: Shame. Shame.

Mr. Eaton: You had that written down this morning, word for word.

Hon. W. Newman: Mr. Speaker, nobody wants to create any undue hardship for the agriculture community, especially myself. Let's make that very clear to start with.

Mr. Shore: What is the member for Middlesex (Mr. Eaton) going to do now?

Hon. W. Newman: Now, as for the \$13 million that was allocated for tile drainage on the farms this year—

Mr. Ferrier: The minister is blocking the drains.

Hon. W. Newman: Some of the municipalities, I know, have overcommitted; I have heard from them. Some municipalities have not committed their total allocation. Until we get all these facts and figures together and assess the whole situation, the tile drainage contractors themselves know what was committed some six weeks ago, or what they had committed, because I had figures from the tile drainage contractors' association. I know what they had committed, and they hadn't committed as much as we had allowed in the budget at that point in time.

Mr. Roy: That's obvious.

Hon. W. Newman: We are going to get together all these facts and figures from the municipalities and try to work it out on an equitable basis within the means we have.

Interjections.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Hon. Mrs. Scrivener, on behalf of the Accommodation division of the Ministry of Government Services, presented the design and construction programme for 1976-1977, which included a summary of major and minor capital projects, new lease-purchase projects, accommodation alterations projects and major projects completed in the past two years.

Mr. Lawlor from the standing private bills committee presented the committee's report which was read as follows and adopted:

Your committee begs to report the following bills without amendment:

Bill Pr5, An Act respecting the City of Cambridge.

Bill Pr11, An Act respecting Napco Poultry Ltd.

Bill Pr14, An Act respecting the Town of Fort Erie.

Bill Pr15, An Act respecting the Town of Fort Erie.

Bill Pr17, An Act respecting the Institute of Professional Librarians of Ontario.

Bill Pr20, An Act respecting the City of Ottawa.

Your committee begs to report the following bill with certain amendments:

Bill Pr18, An Act respecting the City of Niagara Falls.

Your committee recommends that Bill Pr1, An Act respecting Mid-Erie Acceptance Corp. Ltd., and Bill Pr23, An Act respecting Rancheria Mining Co. Ltd. be not reported.

Mr. Speaker: Motions.

Introduction of bills.

PUBLIC HEALTH ACT

Hon. B. Stephenson, on behalf of **Hon. F. S. Miller,** moved first reading of bill intituled, An Act to amend the Public Health Act.

Motion agreed to; first reading of the bill.

Hon. B. Stephenson: Mr. Speaker, the purpose of this bill is to control the performance

of tests in private laboratories and to prohibit the offering or giving of rewards or inducements to obtain business for a private laboratory.

The bill also provides for the refusal to renew laboratory licences—

Mr. Breithaupt: Just in time.

Mr. Reid: But the horses are gone.

Hon. B. Stephenson: —and to limit or prohibit the performance of tests in laboratories—

Hon. Mr. Davis: Horses?

Mr. Reid: The barn door. You have closed the barn door. Haven't you heard that?

Hon. B. Stephenson: —in cases where the minister determines it is in the public interest to do so.

Mr. Reid: Would you like to implement that?

Mr. Cassidy: Thank Ed Ziemba for that bill.

RESIDENTIAL PREMISES RENT REVIEW ACT

Hon. Mr. Handleman moved first reading of bill intituled, An Act to amend the Residential Premises Rent Review Act, 1975.

Motion agreed to; first reading of the bill.

Mr. Speaker: Orders of the day.

Clerk of the House: The ninth order, House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE

Mr. Chairman: Does the hon. minister have an opening statement?

Hon. Mr. Meen: Yes, I do, Mr. Chairman. It will be relatively brief. I welcome the opportunity to discuss, in committee of supply, how my ministry will be operating over the coming fiscal year. But before we get down to a detailed examination of the estimates, I would like to make a few brief comments. First, the structure of the estimates, as you will find in the estimates book, follows the organization and the programmes of the ministry exactly. Thus, vote 901 covers the main ministry administrative activities. Vote 902 is the administration of taxes programme, covering the corporations tax, retail sales tax, succession duty and gasoline tax. Also included

under this vote are other taxes such as tobacco tax and the provincial land tax. Altogether, we administer some 12 tax statutes for the province.

Vote 903 covers Ontario's various tax credits and guaranteed income system and includes the servicing of the Ontario home buyers grant, which we administer on behalf of the Ministry of Housing. Vote 904 is the municipal assessment, on which the Treasurer (Mr. McKeough) made an important statement in his budget concerning the implementation of property tax reforms in the province.

Finally, there is the Province of Ontario Savings Office, which isn't a vote, because it is covered by existing statutory legislation, but it is still included in my estimates.

Contained in the estimates are a number of features to which I would like to make a very brief reference. The government has, as the Treasurer noted in his budget speech, imposed cuts in administrative operations. I want to assure the committee that we intend to comply with these ceilings and with the cuts to the fullest. At the same time, we reduced our complement by 153 over the last year from 4,115 to a total aggregate today of 3,962.

I might also say that, expressed against our estimated actual 1975-1976 expenditures—excluding, of course, GAINS transfers—our expenditures for 1976-1977 will be only one per cent higher than those of last year. Such an achievement, and I feel it is an achievement in a period of inflation, has not been obtained without some impact on the operation of the ministry. I would like to make the point that, unlike the operations of the ministries handled by some of my colleagues, a reduction in the size of our budget cannot be achieved by reducing programme activities or reducing public services. On the contrary, the ministry must not only meet its share of constraints, but it must also deal with continued increases in its workload, both to maintain the flow of essential revenues and to ensure that the province's taxes are administered fairly and efficiently.

Mr. Chairman, with these few opening remarks, I would like to propose that we move to a detailed examination of the estimates. For the purpose of dealing with these estimates, I would like to move down to a seat in the front and have a table brought in so that my deputy and one of our staff experienced in the various votes could be with him in front of me.

May I also make a suggestion about the manner of dealing with these votes? This is

my first opportunity, as I have mentioned, to bring my estimates before the House in committee of supply, and thus I haven't had any experience in the procedure here. In the past couple of years, my estimates have been in standing committee; the debates on the various votes are somewhat more freewheeling there and can range back and forth over the subheadings of the votes.

I would like to recommend, particularly with respect to vote 902, which deals with tax administration and the various taxing statutes, such as corporations tax, retail sales tax, gasoline tax and the like—there is a fair amount of detail in each one of those subheadings—that I think we should try, with the concurrence of the committee, of course, to keep our discussions within those various subheadings. That may not always be possible, particularly in the opening discussions on each one of the votes, but to the maximum degree possible I think that kind of format would assist me in giving the fullest possible and most complete answers to the questions which the hon. members will raise.

Mr. Chairman: I don't think there is any problem about the committee allowing the minister to move down to a front bench so he might have the advantage of discussing certain questions with his advisers, but I think it's customary that we have lead-off statements from the critics of the two opposition parties. I believe the hon. member for Yorkview is about to begin.

[3:30]

Mr. Young: Mr. Chairman, in beginning the discussion on the Ministry of Revenue for this party, I just want to add a word to what the minister has already said this afternoon. He took some credit to himself, and of course unless a minister on that side of the House pats his own back he's not going to get it patted from this side, and so I suppose the one way to achieve some credit is to tell us just how good a guy he is.

Back on April 1, the minister also took a crack at this same thing, and I want to quote two or three things that the minister said at that time—to his credit, let me say, since he is a fairly new minister in this department. He said, and I quote him from Hansard of April 1—whether that date is significant or not I'm not sure, but that's the date: "We reduced our complement by 153 positions during the last fiscal year, 1975-1976 . . ." The figure given today was 173, I think, Mr. Minister; however the fact is there has been a reduction of complement. The minister did not say whether these are high-priced or

low-priced people and whether or not the reduction has taken place right across the income spectrum or whether these are, by and large, low-cost people while the high-cost people are getting increases in salary. However, that's something he can look at.

But he points out to us that the savings this year should be in the order of \$1.5 million to \$2 million. Then he tells us that as far as revenue collected is concerned, in the 1972-1973 fiscal year it cost 71 cents per unit—whatever he's talking about—

An hon. member: For every \$100.

Mr. Young: —and then he says that came down 13 per cent this past year which, again, is good and we compliment him for that.

"The number of accounts per employee is another interesting yardstick to look at," he said. "That number has increased from 349 to 463 accounts per employee, an increase of 33 per cent." Which again looks like efficiency.

Then he says: "When we took over assessment from the municipalities, there were 1.6 million properties. By 1975-1976, with the activities in subdivisions and the like, the number has increased to 2.8 million properties, an increase of 75 per cent." But: "The number of properties per assessor has increased from 663 in 1970-1971, to 1,149, an increase of 73 per cent."

Again, he doesn't say whether this means that in the early stages the assessing had to be done and then that tapered off and so maintenance perhaps was responsible for much of that decrease, we don't know.

Then again: "In the Province of Ontario Savings Office the public moneys on deposit in 1971-1972 were \$138 million; in the fiscal year just ended, the moneys on deposit have increased to \$240 million."

Perhaps the minister can take a look at that as a great source of revenue and we can discuss that later on. But he says this is an increase of 74 per cent. "Deposits per dollar of cost" he said, "have increased 16 per cent . . . Work units per hour per person in the Province of Ontario Savings Office in 1971-1972 were 13.1; they increased to 16.9 in the last fiscal year, an increase of 29 per cent."

And so the minister goes on in this vein and he completes this section by saying: "I want to cite [these] items in support of my contention that we're already a lean ministry and an efficient one."

That may well be so; and if it is, then again I say we congratulate the ministry for its leanness and efficiency. But, Mr. Chairman, I want to point out to the minister that this is the kind of talk we generally hear from ministries after an election when a government has replaced another government to demonstrate just how wasteful and inefficient the former government has been.

I suppose Mr. Bennett is engaged in that sort of thing in British Columbia right now. We see snippets in the newspaper about him saying this kind of thing. He is becoming so much more efficient than the former government. Time after time, through the years, we hear this thing going on.

The thing the minister did not point out is that he is comparing his lean and hungry look in the present day and the streamlining of his ministry with a former government which is exactly the same government as we have right now. This is the significant thing.

If, indeed, these things are true, and he is bringing these percentages down, all he is saying to us is that this government in years past has been sloppy. It's been fat and indolent and inefficient. That's what he is saying here.

While we give credit to this minister, it may well be that what the minister is saying is, "My predecessors were pretty sloppy and now I'm tightening up."

What else can he say? In effect, what he is doing is fighting his own past, just the same as the Treasurer is fighting his own past when he talks about restraint right now; when he is going to cut back on grants and assistance to old people, children, widows and orphans and all the rest of it. What he is doing is simply saying we have been very inefficient in the past and now we have to tighten up, partly because New York has said so if we are going to keep our triple-A rating. He doesn't say it but that's what he means. In other words, because the government has been so inefficient, we have to suffer the present restraints in areas where we should not be suffering them.

As far as this ministry is concerned, let me give him credit by saying that it is likely the cutbacks are in areas where cutbacks should be made. I don't know; we don't have enough details in the estimates to know that but perhaps we will know more before we are through. In any case, I simply want to point out that while this is happening, this minister is simply cutting back on the waste and the inefficiency of the same government in years gone by.

While he may take credit himself, by taking that credit he is pointing the finger at his predecessors and at this government which allowed this kind of a situation to develop haphazardly in the days that are gone.

While this may be true, and while I may be willing to give the minister a certain amount of credit, I want to spend some time this afternoon on this field of assessment where I don't think the same kind of efficiency has been shown. Those of us who were in this House in the 1960s remember the Smith report and then the report of the select committee headed by Mr. White, the member for London South, I think it was. Both those committees pointed out the tremendous problem of inequity in the taxing structure and the assessment structure, and the way municipalities are at variance not only in the way they assess properties but in levying taxes.

These reports highlight the fact that municipalities have widely different standards of assessment. Some properties within the same municipality—and we all know examples of it—had different assessments on them and as far as the casual observer could see there were no great differences between the two properties.

Of course, the differences in valuation of industrial, residential, high-rise, commercial and vacant land were a sight to behold. Not only were there variances with a municipality, but no two municipalities seemed to have the same standard for assessing and then for taxing. Not only that, but as the former member for St. Andrew-St. Patrick pointed out the us in 1973, in a speech he made, we had something like 270,000 properties in Ontario which were missing from or incorrectly tabulated on municipal tax rolls. That was in 1969 and 1970.

"These missing properties included cottages and permanent residences in rural and resort areas, as well as houses and commercial land in the cities." That's a direct quote from Mr. Grossman at that time.

Hon. Mr. Meen: What is the date of that?

Mr. Young: The date of his speech is Oct. 18, 1973, but he is speaking of a condition that existed about the turn of the decade.

Hon. Mr. Meen: I wondered about that date.

Mr. Young: I suspect that situation is now rectified, although I suppose nothing is perfect and no human beings, not even assessors, are perfect, and it may be there are still

some properties that are paying no taxes. Certainly there were a great many people in this province getting free rides for we don't know how many years, over decades likely. They just kept quiet and when the tax bills hadn't arrived they never asked for them. I suppose you couldn't blame them for that.

In any case, that situation may well have been rectified by now. I am talking about the situations brought to our attention by these committees in the early 1970s. Because of this, the grant structure from the province to the municipalities was tremendously out of whack. When there was no standard within the municipalities, when grants came to the municipalities from the province based on their own assessment rolls, and their taxes were based on those assessment rolls, then there was complete chaos in the whole grant structure. What we faced at that time was the certainty that we weren't going to get any kind of unity among the municipalities in trying to rectify this situation. This Legislature faced up to the fact that the only way we could possibly hope to get this straightened out was by the province itself taking over the whole field of assessment.

That is what happened. With great fanfare, the province did take over assessments. The announcements were made on several occasions that it was coming forward.

Then at the same time, there were no standards. Some of the municipalities like Metro Toronto, were saying the rule of thumb is about a third the value of the sales price; another municipality one one-tenth and another one-quarter. So there was no consistency there. The feeling was that the only way we could possibly get this thing brought into line was, while we were going to assess provincially, to assess on the market value; that is the value, I suppose, which a willing buyer was willing to pay to a willing seller. That is not easy. They have had some problems and we still have some problems; but that was the general hope that we had.

The machinery was set up; eventually I think about 31 regional offices were set up out of which the assessment was done. About 1,500 assessors were hired and trained, given the background to do the job and brought in and schooled a bit. There were about 2,500 employees, in total, for the 31 or so regional offices. They were given a manual which, I understand, came right out of California, a warm climate and a place where basements are very scarce and the construction is different. They were given the manual and told to go out and do a job.

These people started in good faith to do their work, and to give them credit they did a fairly adequate job within the framework of the instructions they were given and the manual which they had. To quote further from Mr. Grossman's speech at that time, and he was looking back at this time from 1973 to the beginning:

When the government assumed the assessment responsibility in 1970, the objective was to reassess all properties at their market value and then to reform the property tax system based upon these more equitable assessments.

We anticipated completion of the valuation work by early 1973 for tax study purposes. The assessors would then update their assessment for introduction in the fall of 1974. It was estimated that up to 18 months would be required to study, develop and seek the approval of this House on meaningful property tax reform before local authorities set 1975 mill rates based upon the new 1974 assessment.

He then said these words, which are rather startling: "The reassessment work has now been completed."

What he meant by that word "work" has to be qualified in light of subsequent experience, because things just didn't go as they were planned.

[3:45]

Certainly, the California manuals, based as I said on the warmer climate and different construction, different types of houses, were just inadequate and changes had to be made. Finally, I suppose, it came to the place where values were placed on what people really felt they needed in a house and wanted in a house, and what the willing buyer would pay for that house to the willing seller. So this thing was revised and, finally, some sense began to come into it.

But something else happened in 1970. York county and Peel county were reassessed on the basis of market value. It was fairly near; not perfect, but near enough to show us what could happen. Those in the House at that time remember the storm that broke over our heads when the new assessment and possible taxes based on that assessment were known.

Some of the things that were brought to our attention then were that the taxes on single-family homes rose, rather dramatically in some cases. The taxes on vacant land were up, and perhaps they should have been. The taxes on apartments and multiple homes fell rather startlingly. And then industrial and commercial properties fell in value and, therefore, in taxation.

Also, within municipalities in certain areas, in places like Peel county and York county, the tax burden was shifted from the urban to rural municipalities. Of course, this meant

that because of these shifts there would be profound changes in provincial grants. That, of course, was a situation which the municipalities looked upon with very great fear and very great foreboding. As I said, within this House we had debate after debate and in the question period this was questioned and queried time after time.

It was obvious to the government that some response had to be made and so responses were made. Adjustments were made; money was poured out from the provincial Treasury to help this situation. But what was more obvious to us all was that shifts similar to those we were looking at in Peel and York would take place throughout the whole Province of Ontario at the time of market value assessment.

I think as far as the government was concerned, there was real fear of what was going to happen. So we got the announcement, which I have already quoted from, by the minister of that time. He said this in October, 1973; the hope was that in 1974 the tax rolls would be returned for taxation in 1975. But 1975 would bring the election, and to have this kind of massive shift in taxation and the bills coming in just at the time when the government might want to go out and appeal to the people was a situation that could not, I think, be borne by the cabinet at the time. Mr. Grossman said this in addition to what I've already quoted:

However, the assessment division of my ministry has advised me that the valuations on residential properties in many parts of the province are inadequate for property tax policy purposes at the present time.

The achievement of accurate and acceptable market value assessments on residential properties has been disrupted by rapid changes during the past year. In that relatively short period of time, the real estate market has become unpredictably volatile with prices rising at unprecedented rates in many urban and resort areas.

Consequently . . . the assessors have been unable to keep their valuations in step with recent markets because the valuation methods being used were established in 1970 on the expectation of fairly stable markets.

So he said the government tax reform programme perhaps should be postponed:

As the new data will be available by the fall of next year, the government's tax reform programme could be finalized by early 1976, after allowing 18 months for the tax studies, fiscal policy development and legislative action.

That was the statement in October, 1973. The postponement took place at that time.

Of course, in addition to an election which was looming in the near distance, there was that significant fact that property values were going crazy, particularly in the residential market. We all remember at that time that

land became a speculator's dream and housing was going through the roof. But this government, as well as the government in Ottawa, was doing nothing to curb that kind of wild, speculative endeavour; even though the warnings came from this side of the House, that in this regard and in other regards some curbs should be placed upon profiteering, otherwise we would be getting wage demands in the days ahead; and when wage demands came, we said at that time, then governments would be pointing the finger at the wage earners as the people who are the culprits in the whole inflationary process.

Right here we saw where it started, and because it was starting there and skyrocketing, then the assessment to market value had to be postponed because of this matter, plus the election that was coming through. So the real reason I suppose, while it was based on inflation, was a political one. The result was that for another period of time the inequities that we saw in the assessment situation and the tax situation across the province were frozen at the pre-1970 level. Many of these assessments went back to the 1940s and prior to that; values bore no relationship to what values were becoming in 1973.

Of course the grants from the province still had to be tied to these incredible levels for another period of time. Even though Mr. Grossman, the minister responsible at that time, said that reassessment had been completed, my guess is that it was completed on paper only, and what the department had not yet found was a usable way to translate this into market value and to bring equity into the whole structure of taxation. The magic formula that was being looked for to prevent colossal shifts of tax burdens which might put the Tories out of office had not been discovered.

The situation then drifted for a while to see what was going to happen. Finally, I think it was perhaps late in December or November of 1974—that's over a year after Mr. Grossman's announcement—the cabinet decided to set up an internal study committee to devise a tax policy to accommodate the impact of reassessment.

Now this committee, as I understand, was headed by Dorothy McRobb, a very able, capable person, and it was made up of people who—again, to give them their credit—did an extremely good job, as I understand it. It was to be a low-profile and no publicity committee. The government didn't want the public to know very much about it; little snippets and bits of news about it came through from time to time, but not very

much. As I understand it, that committee was to report in February of this year. It should have reported by now, and I presume that the budget paper the Treasurer announced recently might have been based in large measure upon the report of that particular committee.

Their job was, first and foremost, to give the ministry and the government the kind of magic formula, as I called it, which could bring about reassessment and more equitable tax legislation. As I said, the McRobb committee did a lot of very hard work and budget paper E likely grew out of this, but the strange thing to me is that while the minister in his budget papers makes certain announcements about what might happen in the way of good readjustment in taxation in his view, he says this:

To facilitate discussion on the proposals, a commission will be appointed to receive submissions and to make recommendations on the new property tax system. The commission, which will include people knowledgeable in municipal education finance, will be asked to report to the government by the fall of 1976 so that legislation can be prepared for the spring of 1977.

That means that taxes can be levied by 1978. I presume this is what his hope is.

Again this is a strange step for a government to take. The minister has outlined what the possible steps are and what the possible policy can be with the shift in business taxation and residential taxation, the shift in the assessment in rural lands and the province paying 100 per cent of the taxes to the municipalities. All this is here and outlined. One would have felt that the government would have gone ahead and said: "We believe this to be an equitable way of solving the problem. Let's get on with it."

Unfortunately, or fortunately for this province but unfortunately for the government and its plans, it came back in last fall's election as a minority. A minority government, perhaps facing another election in the near future, can't always do what it may want to do if it has four clear years without having to refer itself back to the electorate. The best laid schemes of mice and men gang aft agley, as Robbie Burns said at one particular point in his lifetime, and it happened here.

I have no doubt that this outline in budget paper E might well have been translated into legislation and gone forward if the majority government had come through as the Tories had hoped. But since it didn't and since this does mean a lot of changes and

a lot of disruption within the province, again a commission is appointed to delay until after the next round and the run-off elections take place. Then perhaps, with a majority one party or the other will have the four years and will go forward to do the job that has to be done in bringing in market assessment.

I don't know whether the McRobb group will continue its work as a commission now instead of a committee, whether the same personnel will continue or a brand new commission will be appointed. That's something that the minister perhaps will tell us in his response. But you see what has happened. During this period we had set up what I understand is called a valuation file. It started back a couple of years ago and was certainly basic to the whole plan of changing assessments. Perhaps the minister, again, can tell us how far that evaluation file has gone. I gather there are still some problems in connection with it and certainly it has to be updated. The valuations of 1970, 1971, 1972 have to be translated into 1976-1977 values, and there is a lot of work to be done.

I don't know whether the budget cutting the minister talked about is going to affect that work. If it does, then I think the minister should take a long look at his budget cuts in which he takes such great pride. We should have efficiency in bringing the valuation file up to date and getting this whole process into a position where we can move forward.

The thing that disturbs me in all this is that we have come to the spring of 1976 when this thing, after the second round, should have been done, and after the delays that Mr. Grossman announced, should have been done. The old problem, the old inequities, the old crazy evaluations and crazy standards are still with us. We're still basing assessment and still basing taxation on that old outdated concept. I say to the minister that this is just not good enough and we are certainly facing trouble about it.

[4:00]

One of the things that is happening and which I think we have to face as a Legislature is that the revision of the assessment is taking place anyway. And it is taking place via court action; appeals to the assessment—and even, in some cases, right through to courts. The action in respect to the Ontario Steel Products Co. in May of 1973 is a good illustration of what is happening. I have the details of it here, but I don't want to go into it in detail. There was one dissenting voice in that, but it did let loose a whole flood of appeals. They had already started, of

course, before this time, but this seemed to be the linch pin which opened the flood gates.

But, you see, what is happening here—and this minister knows full well—that one of the most serious results of a delay in setting up a market assessment is the time and money being wasted by the department right now in defending the interim assessments arrived at, particularly in commercial and industrial buildings. What is going on in Metro is an illustration of this.

Successful appeals are cutting down on tax revenue for the municipalities. The longer the delay in assessment reform, of course, the greater the loss to local treasury.

It was in the late 1960s that the Toronto Assessment Commissioner Grey arrived at a tax base for the new Toronto Dominion Centre—and we all remember this being in the news. When the assessment was transferred to the province, Mr. Grey, now a consultant acting for the TD Centre, successfully appealed his own assessment and I understand it cost the city of Toronto over \$1 million in tax revenue in that one appeal.

Grey, and others who once worked for the city assessment department, became "consultants" in the tax field. They knew from inside information where possible "inequities" existed, and they went out to work and make a living. And who can blame them for doing that—except some of the methods are perhaps questionable. Some consultants actually solicited appeals from property owners and are paid according to the amount of assessment reduction they can achieve. This is a known bit of scuttle-butt on the assessment areas in the city in the tax areas, and perhaps the minister should take a long look at what is happening there.

The Bank of Nova Scotia, for example, has saved itself over \$800,000 through assessment appeals. Olympia and York Developments Ltd. is extremely active in appeals respecting buildings that it controls. The Star buildings, both old and new, are appealing—also the new Hudson's Bay complex, Hotel Toronto, the Bank of Montreal—and a great many other new structures in Metro.

As a matter of fact, I think it is almost routine now for new buildings and new complexes within Metro to appeal their assessments. These appeals are not for peanuts—they involve millions of dollars.

My information is that the same thing is going on in other centres, and it will escalate as time goes on. The longer the government takes to get us the market value, the more

time and energy and resources will be wasted in fighting those appeals within the minister's own department. There is more to come. Their rumblings are escalating in the highrise field now. Appeals are certainly multiplying there as owners try to reduce assessments to the condominium and the single-family level following the recent action on condominiums.

Assessment reform is grinding its way through the appeal routes, and in this way we are getting a new assessment and tax structure; but it is still riddled with inequity and with sheer injustices. Instead of appointing a new commission to rework the old ground, the government should be acting now to implement market assessment. Perhaps the minister realizes this and I would hope that he takes a look at this and tries to get that commission to operate in a matter of weeks rather than a matter of months or year.

I believe there is a matter which was raised in this House before, and which I just want to mention to the minister briefly. Perhaps we can get back to it during the estimates, and he might have full information for us then if he hasn't now. That is the organization which is known as Teela which works in co-operation with the department in connection with records. I am not sure in my own mind exactly what part it does play but I hear rumblings out in the province about it and dissatisfaction as far as some of the regional offices are concerned with its function. Teela I understand—if I am clear—gets deeds from the registry clerk and I think registry clerks from the assessment division do operate within the registry office. These documents come back and they are given a number and then Teela is given charge of them and Teela makes a record. It builds up a system of file cards and turns them back to the minister for his information and for his records. Then they are allowed to use those records any way they like commercially. It seems to me that this is another situation like the situation in the Ministry of Transportation and Communications and the whole matter of supplying confidential assessment information to private marketing organizations becomes something of a legal or a moral issue which should be looked at very carefully. I know that some of the people out in the province seem to think that the error rate which Teela rolls up is rather high and the assessment information is not as accurate as it should be. I have heard one person say that it seems that with the turnover in Teela they may not be paying enough wages; the turnover is so high perhaps they are not

training staff adequately and so the errors are compounded.

I wonder whether the minister could tell us about this arrangement and why he is keeping the arrangement and whether or not it might well be that this kind of work could be done more effectively and more economically within his own department without the records going out and being used commercially by a private concern.

I would also ask him about the ownership of Teela—whether Teela is owned as a company. Is it incorporated? Does he know anything about its sales and the income derived from this kind of relationship which it has with the minister and with his department?

One other matter which I wanted to raise with the minister for his elaboration is one which has come to the attention, I think, of a great many of the members in the House. That is, the 1974 Act amending section 17(3) of the Assessment Act. I have in my hands a copy of a letter which no doubt the minister has and certainly other members have received, from a certain Mr. T. D. Taylor, 67 Banstock Dr. in Willowdale, Ont. I am not going to read this letter—the minister can have it if he wants it—but I will read pertinent sections of it. The particular amendment he spoke about was section 6(3) which says this:

The value of an assessment of an entire parcel of real property that is occupied by more than one person to be assessed under this Act shall be apportioned on the assessment roll among the occupants of the entire real property who are to be assessed in that proportion that the fair market rent of the space occupied by each occupant shares the fair market rent of the entire parcel of real property, so that the sum of the values apportioned to each occupant shall be equal to the value of the assessment of the entire parcel of real property.

Certainly, I think, when that amendment came to the House a great many of us did not realize what the impact of this might be. If I could, as I mentioned before, quote two or three paragraphs from this letter it will perhaps enlighten us more than any amount of talking I can do. Mr. Taylor says:

It almost seems that there must be a conspiracy in Canada to destroy the small businessman. How else could one explain section 6 of the Assessment Act 1974 amending section 17(3)? I would really like to find out the name and occupation of the person who first proposed this idea as it relates to the shopping plazas. It surely must have been an executive of

Simpsons, Eaton's, the Bay, Woolco, Kresge's, Loblaws, Dominion, or some other large chain [He doesn't include them all, I notice, but he has a lot of them there.] for they stand to gain tens of thousands of dollars at the expense of the little guy in the smoke shop. Please don't let anyone tell you otherwise because there are many cases where a large store is paying \$3 per square foot per year rent, compared to a small store in the same plaza paying \$10 or more per square foot rent. Thus the large store will pay only one-third of what they were previously paying and the small store will have to pay three times what they were previously paying.

And then he has a statement about the way the small man has to fix up his store, just to make a go of it:

They put their house in hock for perhaps \$60,000, \$50,000 going for fixturing and \$10,000 for a cushion. Fixturing, by the way, means putting in walls, ceilings, floors, light fixtures, and the front, to the tune of \$30,000-\$40,000. As soon as the floor, lights, and walls, etc., are in they become the sole property of the landlord. Pretty crafty, huh? The landlord gets a free store, and it doesn't matter whether the tenant goes bust or dies in a couple of months, and the landlord doesn't even have to pay gift tax.

And to continue:

The common-area maintenance charges that somehow had been soft-pedalled during the rest of the negotiations turn out to be a nightmare. Common-area maintenance can include air conditioning, floor sweeping, snow removal, painting and so on. The landlord does all the spending of the money, but does not put in a nickel of his own. Thus he has no incentive to keep the cost down; instead he charges 10 per cent to 15 per cent of all the bills he pays, including maintenance staff wages. What does he care if some contractor pads his bills? He will probably sneak in what are his own capital costs and then add 15 per cent for his effort.

Mr. Taylor goes on to say:

Now the argument that the large stores should pay less rent and taxes because they are providing all the customers just won't wash. The big stores need the small stores just as much as the small stores need the big ones. On the west side of Yonge St. just north of Steeles Ave. in Toronto, Loblaws proved they could not survive on their own. Eaton's took over the location and also proved they could not survive on

their own. On the opposite side of the road, the G.E.M. store has never been a big success.

One argument put up to me is that buying space is just like buying anything else; the more you buy the cheaper it is. Agreed, but not two-thirds cheaper.

What could be fairer than basing taxes on the space used? Should efficient use of a small area be penalized? Conversely, should inefficient use of a larger area be subsidized? Because the small businessman cannot buy at the low price, because he has to submit to blackmail in the amount of rent, is it right that the Ontario government should now ask him to work 100 hours a week to pay additional taxes? Where the hell else is he going to get the money to pay them?

Mr. Reid: Is that parliamentary?

Hon. Mr. Meen: He is quoting.

Mr. Renwick: It is ministerial.

Mr. Young: And that's signed by Mr. Taylor, and I have simply read part of his letter for the edification of the minister. I presume, Mr. Minister, that you have a copy of this letter.

Hon. Mr. Meen: I haven't seen that letter.

Mr. Young: You haven't? Well, I will see that you get a copy of it then as soon as it is possible to do that.

Hon. Mr. Meen: At least I don't remember seeing it.

Mr. Young: Mr. Chairman, I have come pretty well to the end of my presentation today. I do want to ask the minister about his plans for the regional offices.

Certainly when the 30-odd regional offices were set up, there was a big job of assessment to be done, and it was done. Do we need this amount? I understand there was some discussion going on about cutting down on regional office numbers, and some discussion as to where these should be headquartered, and what functions they should take on.

I don't know how far this has progressed, Mr. Chairman, but perhaps the minister can enlighten us as to what the progress is, because it certainly seems that this is one place some savings can be made unless there is still a great deal of work to be done in the valuation file. Even there, I can't see that 31 offices are needed for this. It's more a central job now which is needed.

[4:15]

I would hope he's addressing himself to that central job and that he's not going to delay any further—that is, that this government is not simply waiting for another round of elections, hoping for a majority, before it's going to bite the bullet and do the job which has to be done in the whole field of assessment.

I hope the minister takes to heart the kind of advice I have given him today. I think it's been good advice. Also, I would very much like the minister to hand on to the other members of his cabinet the observations I made early in the game that when you take credit for something that is happening now in the way of reduction of expenditures, you should also realize who was responsible for the fat, the waste and extravagance that occurred in the years gone by.

Mr. Edighoffer: Mr. Chairman, I'd like to make a few comments at this opening session of the estimates of the Ministry of Revenue. First of all, I'd have to say that this, of course, is the first session of any estimates in this third session of the 30th parliament. I thought, with so many seats on this side of the House—we're cramped and, of course, in the minority situation—that maybe the estimates books might have been prepared in a somewhat different manner. They might have been extended somewhat. I know that a number of my colleagues have asked if I would ask this minister whether there is any further detail in the estimates of the Ministry of Revenue which are before us at the moment. There's no further detail for the members, at all?

Hon. Mr. Meen: Mr. Chairman, the short answer is no. The detail I have worked up in my books, of course, is enormous and if it were capable of being abridged they'd be welcome to it. As it stands, I regret to say there isn't anything more that I have immediately available for them.

Mr. Edighoffer: The reason I asked that is that during the supplementary estimates, I believe, some ministers did present somewhat more detailed information. I thought maybe the process might change somewhat because of the minority situation.

However, I won't continue in that vein. We're here to discuss the Ministry of Revenue. I'd have to say, similar to what the previous speaker, the member for Yorkview said, that I recall the minister's speech on April 1 in the House. After listening to that speech I really wonder what we are doing here today. I thought everything was running so smoothly that there would probably

be no need for any criticism or question whatsoever.

Mr. Reid: Should go to help clean up the Ministry of Health.

Mr. Edighoffer: However, I notice he did not answer one question which seemed to be asked by interjection during that speech. That was, "Why are you not applying your great restraint programme to the collection of taxes?" I didn't hear any answer but maybe the minister will have something; or maybe he can't answer that.

In looking over the estimates—I'd like to thank the minister for seeing that the critics did receive copies a few days prior to those which were tabled in the House today—I noticed that, of course, there is consolidation of the ministry administration and support services. I have to say this is commendable; however, I would say, as the previous speaker said, probably this does show that there has been some waste in the past.

I refer to the commendable part, the consolidation of a couple of branches. However, we must remember that these are the estimates and I want to remind the minister and the members that we do have the system of Management Board orders which we saw in the last supplementary estimates, I believe there was \$900,000 set aside for the GAINS programme. I just hope that these estimates will end up to be the true actual estimates and, in this year in particular, I also hope we will see restraint in Management Board orders. I say this because, in the most recent Auditor's report, I believe there was a figure of something like \$1.3 million set aside by Management Board order for this ministry.

Mr. Chairman, I just hope I am in order in making a very brief comment on the GAINS programme. The Treasurer (Mr. McKeough), in his budget speech of April 6, said he would change the residency requirements for persons 65 years of age or over so that new applicants would meet the same 10-year residency criterion that is required for the OAS and GIS. In looking over the House of Commons debates, I found that on April 14 the federal Minister of Health and Welfare made a statement that by the fall there would be amending legislation and if this legislation would be in place and, as the federal minister stated, if it would commence a new system which I believe would set out an earned benefit for a resident at the rate of one-fortieth of the eventual full pension for one year of residence in Canada after the age of 18, I just feel that, if I am in order, I would like to suggest that the minister should consult with the Treasurer and prob-

ably consider holding off that legislation until the federal amendments are enacted in the fall.

Mr. Chairman, I listened very carefully to the member for Yorkville covering past speeches—

Mr. Young: Yorkview.

Mr. Edighoffer: That's right, sorry. The member for Yorkview.

Mr. Reid: It's where he spends all his time anyway.

Mr. Edighoffer: I listened very carefully to the comments he made regarding the setbacks for market value assessment, and I certainly don't want to go over that in that type of detail today. However, I can say that I agree with many of the things which he said and I cannot see why market value assessment has had to be delayed and, of course, was again delayed by the Treasurer in the recent budget.

However, I would like to make a few comments about the operation of market value assessment, and I really would like to make a brief comment on another item which the previous member touched on, and that's on the shift in tax burden to small businesses in shopping malls. We, in this party, the same as many other members, have received many letters from businessmen who are most unhappy. I know that you, Mr. Minister, on at least one occasion that I know of, have sent out a very lengthy letter trying to explain the position, but I would like to just make a few comments in this area because I feel that there are some hardships for some small businesses which are affected by that recent amendment to the Assessment Act in 1974.

To me, the present situation seems to be that some malls are being assessed by the old method and some by the new method. It would seem to me that in all fairness the new malls could have been assessed in the same manner at least until 1977 or 1978 when the entire market value assessment was initiated across the province. Instead, the new malls were assessed in the new manner without developer or tenant prepared for or even aware of the new legislation.

The ministry should have realized that the method by which shopping malls are financed would result in a dramatic shift of tax burden from the large low-rental tenant on to the small high-rental tenant, with assessment now being based on fair market rent rather than area occupied. Realizing this, the ministry

should have taken definite steps to make sure that both developers and tenants would be made aware of this new assessment method in order to avoid the explosive situation that resulted.

No exception is made for existing leases. Some tenants are locked into five- or 10-year leases and were led to believe by the developer that they would be paying taxes of a certain amount, based on actual taxes being paid in similar malls elsewhere. Instead, they are being faced with tax bills up to 10 times as high as those projected figures. The tenants are trapped in existing lease arrangements, since neither the landlord nor the small or large tenants were aware of this amendment.

Cases have shown large tenants having had their taxes substantially reduced below the projections made at the time of entering into the lease arrangement. The shift of the tax burden onto the small tenant is being appealed by most of them, but in the meantime they are actually facing possible bankruptcy because of this.

Realty taxes are still paid by the developer, but the assessment office apportions the total amount among the tenants, based on what it considers their fair market rent to be. The developer would naturally use this as a guideline. Business taxes are also a property-based tax and are calculated as a percentage of assessment, thus the result of this shift in assessment is to increase the assessments where the rents are higher and decrease the assessments taxed at the higher rate. Larger tenants are charged much less rent per square foot because of their attraction as the drawing cards of shopping malls. Smaller tenants pay higher rents because of the fact that they use their space much more intensely and usually have direct access to a common area in the mall, providing many facilities for the customers.

At the time this amendment was passed, it was not realized what a great range of rents were being charged in these shopping malls, and it was allowed to pass by the three parties. The implications of this amendment are now evident. Our staff and many members of the caucus have talked frequently with the minister's office and, as I stated earlier, he has written many letters, or at least one letter I know of, trying to show that this shift in the tax burden is correct. He uses the argument that up until the change, small businesses were not paying their fair share of taxes in shopping malls. That may have been so, but that's no reason to completely reverse the situation.

The intent of the legislation was to obtain a more equitable distribution of the apportioned assessment, and I would just like to quote from the minister's opening remarks on this amendment. He stated:

A formula is provided for apportioning the total assessed value of tenant-occupied property among the tenants and in accordance with the market rental value of the space they occupy so that the tenants occupying the most valuable space will be assessed for a greater portion of the total assessment of the property than will tenants occupying less valuable quarters within the same area.

[4:30]

Previous to this amendment, the Act read that the assessed values were allocated on a portion of the square foot area occupied by each of the tenants. This meant that parts of the land and buildings were excluded from apportionment. The payment of rent presupposes that each tenant enjoys certain rights of access to and egress from the space he occupies. It therefore presupposes some interest in the common areas of rent and also reflects the value that the common areas add to their tenancy.

Up to this point the tenants were not paying taxes on these areas but under the readjustment arrangement the fair market rent would take into account the elements used in common, and this would be reflected in the value of the rent.

To me, the general reaction of most small businessmen is that it appears to be a classic example of big corporations and big government combining against the small entrepreneur. I think protection of the small entrepreneur is most important in this business society. I know I would be most interested in hearing whether or not the minister has received many complaints, which I feel he has.

Mr. Good: What is the minister going to do about it; that's the thing?

Mr. Edighoffer: I know that this matter can be discussed further during that particular vote.

I would just like to touch very briefly on a couple of other items. As we can see by the estimates, we are talking about \$206 million to be supplied to this ministry. The largest single item seems to be the transfer payments of the GAINS programme to senior citizens. I cannot, and I am sure many members of the House cannot, quarrel with these payments in these inflationary times. But many of the funds in the different votes are for

administration and many of my colleagues, I know, want to speak on certain items which come under different Acts.

We have been receiving a number of complaints very recently because not too long ago—in fact, I guess it was the same night that the budget was brought down—this ministry sent out a number of tobacco tax declaration and remittance forms. They are called TB-1s. We had a number of these sent into our offices and I am wondering about the waste in this area because, as I understand, about 145,000 of these forms were sent out. When you start figuring that out at eight cents each way, you come to a total of about \$23,200 just for postage. Half of that is for the government for the first mailing, which means it costs \$11,600 to just get out these forms.

I really wonder why the ministry couldn't have figured out a way in which these forms would have gone to the distributors and then on to the retailers or somehow just gone to those who were in the business of selling cigarettes because we received many. For instance, here is one from a fuel company, and I know I received one in my own business. It seemed unnecessary to send that many out.

There are many items in this ministry. One area where I hope the minister will have an answer is in tax rebate. Late last fall there were some great difficulties after the last year's budget allowed only a two-year period to apply for a tax rebate with the electrical utilities commissions. I understand there was approximately \$10 million outstanding in rebates and I wonder if much of this has been returned to the utilities and if this matter has been settled or not.

As a small businessman, I appreciate the operation of this ministry. To some extent you might call this the cash register for the province. I understand from the April 1 speech that you're moving to new quarters and it must be a challenge to find a cash register big enough to accept, I suppose, \$15 million every day—that really would include holidays—which is quite an interesting operation.

In closing, this cash register seems to be becoming busier and busier each year and with the quantity of transactions the need is there for good administration to make certain that all programmes are dealt with fairly and expediently.

Hon. Mr. Meen: Mr. Chairman, there are quite a number of things to touch on, some of which, I suppose, could be dealt with just as well when we get under the individual

votes. I think there are a few things I might touch on at this time in a more general sense.

Following more or less in the order in which the points were advanced, the hon. member for Yorkview had some mild criticism of my indicating the progress the ministry has made to date in economies, efficiencies and so on, sounding as though if I'm to take some credit it automatically casts aspersions and doubts upon the performance of my predecessors. I want to put this point on the record.

This is not something new which instantly happened with a sudden spate of constraints and the like. We have been working more toward a mechanization of records, particularly in corporation taxes, but in other branches of the ministry as well.

Of course, in assessment where we have converted from a multitude of different forms of assessment, which we inherited when we took over the municipalities, to one system—and a computerized system at that—we're bound to be able to achieve, as we press on toward that conclusion of market value assessment, some economies of numbers and this is beginning to work forward.

It's been an ongoing thing. I know that my predecessor was able to accomplish some economies when he was in charge of this ministry. It's not anything which has just happened but certainly I felt at the time of my earlier speech in the Throne debate that both points were well worth making.

I've got a plethora of notes around here on various points made by the members as they ranged across all four of the votes in this ministry. I'll try to touch on at least some of the major points. If I miss any of those the hon. members think I might touch on perhaps we can come back to them when we get to the individual votes.

The matter of assessment, of course, is one that I expected would be of great interest to all hon. members. We did take over quite a shambles by way of inconsistency of assessments as they were conducted in the various municipalities. It was difficult for Treasury and Economics to know, when they were making their equalization payments and grants to the municipalities, just how they would calculate these because the assessment formulas used by many municipalities were so different.

They seemed to vie for low assessments as I see it. They were trying to be consistent within their municipalities, mind you, but nevertheless they seemed to vie among themselves to get lower assessments so they could

get larger transfer payments from the province. This made it more and more difficult for Treasury and Economics.

Of course, that was one of the reasons for our having to take this over because despite all the efforts of the old Department of Municipal Affairs assessment division in the past to get some kind of consistency among the municipal assessors, they were unsuccessful. As I say, that was one of the reasons for taking it over.

As my predecessor, Mr. Grossman, did say in 1973—I was interested to check the date with the hon. member for Yorkview—We discovered and we had learned by about 1973 that there were about 270,000 properties which weren't on the assessment roll at all. Of course these properties should be taxed and will be taxed with the new system.

I want to point this out too, that Mr. Grossman said and I have been at pains to say—and I am sure he must have been similarly at pains to make this point—that when we go to market value assessment we do not go to market value assessment, period. We have to have a reform of the taxation method applied to market value assessment.

Nothing could be clearer in demonstrating that point than what happened in Peel and in York when they went to market value assessment without benefit of some form of factoring of the residential assessment. Without some kind of adjustments in other fields it was inevitable—as I say, it was graphically illustrated in those two areas—that without the benefit of factoring of the assessments there would indeed be a shift to the residential quarter of the municipality.

We do not want that to happen, and so one of the major points in the 15-point proposal which the government is putting forward, is that it looks as though a factor of 50 per cent of fair market value as applied to residential accommodation assessment would be about right, to be assured that there would not be a significant shift—in fact there would not be a shift—of the tax burden from the industrial/commercial sector to the residential sector. And the other 14 points in budget paper E are all matters, along with the first of the 50 per cent of assessment for residential purposes, that we want the commission to study.

Dorothy McRobb and her committee, made up of members of the Ministry of Treasury and Economics, and the Ministry of Revenue, I think have done a great job in analysing the problems that would stem from a straight move to market value assessment. It is cer-

tainly stemming from their report to government, which was available to us back in February, that our 15 different points were developed.

We certainly are asking the commission to come forward as quickly as possible, but one point that I have made was that we would never go to market value assessment without adequate consultation with the municipalities, and with all other people and bodies whom we would consider to be affected by such a move. We do not want to rush into a market value assessment without giving the commission adequate time. We are guessing to some extent, I suppose, as to how long it will take the commission to make their report, but we are asking them to make their report by the fall.

I couldn't agree with the hon. member for Yorkview more when he suggests that we should get on to market value assessment, get over this hodge-podge that we presently have for an assessment system. The sooner we can get away from these frozen assessments and on to something equitable, such as the method we are proposing, the better. But the point is, we can't go into this unless we are certain that when it is applied, the results will be equitable. They would not be equitable if we simply took the route that occurred in Peel or in York, and we would under no circumstances see that it happened that way.

I have repeatedly assured the PMLC and others—the city of Toronto; Arthur Eggleton called me the other day to ask me this very thing. I said to him that he could be assured that the municipalities and all concerned would have an adequate opportunity for input to the commission to determine just what is the best way to apply these principles.

Mr. Young: That should have been done three years ago.

Hon. Mr. Meen: I question that. Now, the hon. member for Yorkview on that point said my predecessor indicated the assessments were completed in 1972 or 1973. I am sure he did not mean completed in the sense we are talking about, because we really only got the market value assessments completed for residential purposes about the end of June or the first part of July of last year, and we only got the industrial and commercial sector completed about the end of 1975. So I had not heard that Mr. Grossman had indicated that the assessments were completed. I wonder if he had said something to the effect that they were virtually complete or well on the road or whatever he said—

[4:45]

Mr. Young: Could I—

Hon. Mr. Meen: Well, it's of no consequence. I see the hon. member has it in print. It's xeroxed from Hansard, I suppose?

Mr. Young: That's right.

Hon. Mr. Meen: I can take a look at that. But the fact of the matter is that the assessments are—

Interjection.

Hon. Mr. Meen: The assessments are now virtually complete, as I am advised. He may have been misadvised, but in any event I am advised that they are now. It's clear that they were not at that time. We could not have gone into the commission stage then, and only now are we in a position to do that and I hope they will be able to have their hearing and give us a report on the 15 points or other recommendations that they may have by the fall of this year so that we can act on them perhaps in the fall session.

As I say, I would dearly love to have that in place now but I know perfectly well that that would depart from my undertaking of adequate consultation with the municipalities, and I know perfectly well that if we simply put it in place there would be bound to be some problems. We, Dorothy McRobb and her committee have worked long and hard to come up with principles that they think and that we think are equitable, but there may be some aspects to this that we don't anticipate yet and we're looking to the commission for some advice.

The commission will not, of course—at least I don't anticipate that it will—comprise civil service. I do expect that the commission though will have available to it the staff of Treasury and Economics and of Revenue, who are conversant with this and who developed these 15 points which the commission will be looking at.

I think it was the hon. member for Yorkview who also asked about Teela Market Surveys. I am advised that Teela Market Surveys is owned by a Mike Feldman. I don't know Mr. Feldman but apparently it's a private company. In the past the ministry has had an arrangement with Teela whereby we provide them with roll numbers, property addresses and total assessments; all this kind of information is on the assessment rolls, of course. In exchange for that Teela has been providing us with a record of all the transactions.

They have their people in the registry office following all transactions as they go

through, and so they have been providing us with a list of these transactions of purchase and sale, the names of the purchasers and the vendors, the sale price, financial arrangements—that is how much cash and how much mortgage—presumably the terms of the mortgage.

We could then, from our own records, determine whether the price was a realistic price on the basis of, say, one-third cash and two-thirds mortgage or was inflated in total price, if it were, say, mortgages totalling 95 per cent and only five per cent down, that kind of situation, would be of interest to us in determining the true value of that property. They give us a title search if we need it, they give us the legal description, and I understand also that they give us an outline of the land sold or secured, I presume a sketch showing the shape then.

As we go into market value and, of course, have our own figures, and as we've been updating our records so that we wind up with descriptions of every last parcel of land in the registry offices, that service—as provided by Teela becomes less and less use to us and it is now being phased out. But that's the arrangement they've had. They've not been receiving anything from us, and this is the point that I think the hon. member for Yorkview may have been thinking in terms of.

Mr. Young: No.

Hon. Mr. Meen: They've been getting nothing from us that was of a confidential nature.

Mr. Young: But they do use your information to make money.

Hon. Mr. Meen: No. With respect, they've been providing us with more, I suspect, in terms of information that was valuable to us than was of any real service to them. They could, with that information, then post that to their record and that would help in double-checking assessments and the like to have the roll number and the recorded names of the parties, of course. They were certainly doing the vast majority of the work in terms of the title search and all the other particulars they were providing to us. I suspect, if anything, the street ran in our direction in terms of benefits, more than it ran in their direction.

The hon. member was also talking about the amendment to section 17(3). In fact, the member for Perth touched on that at some length too, and perhaps I could range across their two observations in replying to the point on section 17(3). I would say at the

outset that, indeed, I have received hundreds of letters, and I have replied, so far as I am aware, to virtually all of them. I don't remember Mr. Taylor's letter, but if it's of any vintage I must have seen it and would have replied to it. It's dated March 1, I see, and so presumably a reply has gone to him.

I think to some degree there's a misunderstanding, but it's an immensely complex subject. I guess the hon. members have come to realize this. To begin with, the amendment to section 17(3) does not affect all taxes. It affects only business tax. Real estate taxes are assessed against the owner of the shopping centre. Generally speaking, that owner apportions the taxes among his tenants on the basis of the square feet they occupy, but however it is done it is set out in the terms of the lease.

What 17(3) gets at is the assessment made against the individual shop owner and individual shop for purposes of business tax; the business tax is being levied against the owner directly. It was a logical extension of the principle of market value as applied to all real estate. As we would be applying market value to the assessment of the shopping centre itself for real estate tax purposes payable by the owner of the shopping centre, so it also seemed logical to extend the principle of market value to rental. In other words, fair market rent, which does not necessarily mean the rent the tenant is paying. It may be more or less than what he is paying.

The large tenant, the anchor tenant, in a shopping centre, generally has a pretty strong bargaining position when he is negotiating the terms of his lease with the shopping centre owner, because that shopping centre owner can turn around once that lease is negotiated and hypothecate a security when he comes to make his financing arrangements for the balance or the entire shopping centre for that matter. He frequently does assign the rentals recoverable under that anchor lease as security for the mortgage.

So that tenant, the anchor tenant, probably negotiates a pretty attractive rent, but that does not mean that that's the fair market rent that he pays. The fair market rent might very well be a good deal more than that. By the same token, a small tenant, perhaps with very little bargaining power, may have to pay a premium rental for a few square feet in order to get into a particular shopping centre, recognizing that in the course of getting into that shopping centre he's the beneficiary of maybe daily or weekly advertising by the anchor tenants, advertising of sales and the like that are put on by the major tenant in

the centre. So he's prepared to pay a good deal more per square foot because he is renting a good deal less and becomes the fringe beneficiary of a lot of the other activities that go on in the centre, courtesy of the larger tenant.

In his case, the fair market rental payable by him for assessment purposes might well turn out to be a lot less than the actual rent that he is paying. In other words, the assessment division may well look at the rent that's being paid, but they take into account a lot of other factors, including the net revenues from the operation, the economic rent, as factors to enter in their calculations in determining what constitutes fair market rental.

A lot of the people who have written to me are not in shopping centres. Many of them are in strip stores on streets in towns around Ontario, and indeed on the Yonge streets of Ontario, and of course this kind of assessment does not hurt them at all. Regardless of their size, their business tax is not affected by somebody farther down the street if they are not in a shopping centre complex.

In fact, from what my advisers have told me, there may well be a reduction in the business tax payable by some of these shop operators where there is a greater apportionment of business tax against other parts of the building if they are, say, in a walk-in shop on Yonge St. and there are other business premises above them. In the past, the store has borne the larger part of the business assessment and the premises above have borne a much lesser amount. On this arrangement, under fair market rent, it is my advisers' feeling that the actual business tax borne by a lot of these shop operators will come down under the principle in section 17(3) and not go up.

Having said all that, I should add that I am not unaware of, nor am I unsympathetic to, the problems of a lot of the smaller shop operators in shopping centres. I have been endeavouring to get to the root of the problem where they are concerned to see if there is not some solution to the problems in the shopping centres, without impairing the basic principle of section 17(3) as it applies to all other commercial properties that aren't in shopping centres.

I have had a number of meetings with experts in the area of shopping centres to try to find some kind of solution to this dilemma. The people I have met with up to now have indicated that, with this explanation I have just been giving here in the committee, they are not prepared to say that there's anything fundamentally wrong with section 17(3). But I have asked my staff to

work with a committee, which I believe is now fully established — certainly we have nominated our people to that committee—to try to come up with some advice to me as to how we might treat assessments in shopping centres if we are going to treat that kind of assessment differently from section 17(3) assessments, where the properties are not in shopping centres.

I am advised that some of these anchor tenants—and a number have been named to me—would be quite content to go back to the old system, because it would appear that if we take fair market rental in shopping centres, the amount of tax that's borne by the large anchor tenant for business tax purposes may nevertheless still come down. In other words, the basic point that the tenants in the shopping centres make, that their business tax would go up, I guess that is correct, because in the overall picture the anchor tenants' business tax would come down somewhat.

[5:00]

It would not come down as much as many have thought. Nevertheless, it would come down some. I am advised by representatives of some very big businesses that they would be content to have some other scheme whereby they continued to bear the same, or roughly the same, proportion of total business tax in a shopping centre as they are presently bearing.

I think that is a very encouraging sign. We should be able to reach some kind of satisfactory arrangement for shopping centre purposes.

It was the member for Perth, I believe, who raised the question about notices sent out on budget night. Perhaps he can just nod his head. Was the hon. member for Perth asking about the 140,000 or so notices that we sent out budget night to all the merchants and why we didn't send them out to the tobacco people?

One of the reasons for doing this directly for the small amount of mailing involved was that the sooner inventory declarations were in the hands of the merchants, the sooner they would be put on notice. The larger the inventory the larger the tax recovery at an additional five cents a pack.

They are responsible for it. We wanted them to be on notice at the first opportunity. We did not want to rely on 170 or so wholesale tobacco merchants to get the forms out to their dealers. It could take as much as two weeks in the normal route to get them around.

So, for the eight cents mailing cost, it seemed appropriate to get one in the mail to everyone. After all, those merchants are my agents. It is appropriate, I think, that I should advise them and see that they get the notice, the declaration, and the inventory sheets, as quickly as possible. That was the purpose of the mailing.

You should remember that we made an estimate of the additional revenue. It will be a while, I suppose, before we know how accurate the estimate was. The tobacco tax people estimated something like \$2.5 million of additional tax of inbound inventory in the hands of the merchants, on budget night.

Remember too, the turnover in tobacco stocks is on about a two-week basis. If we delayed in getting those forms out they would have every reason for showing a lesser value for inventory by the time they get the forms. Consequently, there would be a significant reduction in the return of tax to the ministry. I would think spending \$21,000 or whatever that works out to, for securing a fairly substantial part of a \$2.5 million inventory is good economy.

The member also asked about retail sales tax rebates to utilities and municipalities. I don't have that information at hand at the moment. It is doubtless in my material with respect to retail sales tax. I will endeavour to get that for him, Mr. Chairman, when we get to that point in the estimates.

Mr. Chairman: I assume we will have the concurrence of the committee to deal with vote 901 item by item.

On vote 901:

Mr. Chairman: Ministry administration programme, item 1, main office.

Mr. Renwick: Mr. Chairman, I just have two or three areas I wanted to cover briefly with the minister. I do thank him for the correspondence which we had on the efforts made by his ministry to deal with the restraint programme of the government. He responded, as he always does, both graciously and fully, to the inquiries which I made.

I am not going to raise in the House the provocative matters which he raised when he spoke to the Jaycees in York East about the government restraint programme. I am going to limit myself to the specific aspects of the response of his ministry to the restraint programme. I would then like to deal with a couple of other items which I believe are appropriate under the main vote, being of a general nature with respect to the administration of the ministry.

In the minister's response to me about the restraint programme he stated that within the ministry they had accepted their fair share of the government-wide restraints and in so doing had attempted to ensure that the basic level of essential services is not disrupted. Then he went on to itemize specifically the actions which had been taken, cross-referencing the actions which had been taken to the Management Board's instructions to implement eight specific cost control measures. I am not certain whether, in the typing, the cross-references were quite accurate. I may need a little help in clarifying whether the typing corresponds with what the minister was endeavouring to tell me.

He referred to the measure No. 3, which is a 10 per cent reduction in data processing budgets and then has opposite it the Ministry of Revenue cut, a complement of 183. I think that is just an error in typography. I think he must have been speaking to the immediate freeze on replacement staffing. Is that correct?

Hon. Mr. Mean: Yes, I believe so. I think that 183 is 153. I think the member for Yorkview raised that point earlier and I think the correct number is 153.

Mr. Renwick: It should be 153?

Hon. Mr. Meen: Yes, I think so.

Mr. Renwick: The Ministry of Revenue cut then has beside it an asterisk indicating that it includes the effect of a previous complement decrease of three per cent. I would appreciate it if the minister, in line with what my colleague the member for Yorkview has said, would perhaps flesh out a little bit for us the nature of the cuts and what has happened to the people who have been part of that decrease in the complement of the ministry; the nature of the roles which were performed and how they were absorbed within the ministry; and whether or not they are, in a sense like other freezes, only considered to be of a temporary nature or whether they are the kinds of restraint cuts which, in any reasonable judgement, can be considered to be a permanent saving with respect to what the government is doing.

I am particularly interested in both sides of the equation; that is, the restraint part reflected in that cut and the assurance that the persons who have been cut have been dealt with fairly and equitably with respect to what they may now be doing. Also, to relate it to what the actual cut was either in the past fiscal year or when the cut did take place.

The second matter to which he referred was—again I think the cross-reference may be wrong. It relates to measure No. 1 and has

an item, \$341,200, opposite. I assume that is probably the 10 per cent reduction in data processing budgets and is item No. 3 of the Management Board's control measures. Am I correct in that?

Hon. Mr. Meen: I am sorry. Would you repeat that, please? I was distracted.

Mr. Renwick: Your letter to me indicated measure No. 1, \$341,200 but measure No. 1, of course, is the staffing question, the complement. I think the correction should be that you were really referring in the \$341,200 cut to the 10 per cent reduction in data processing budgets which would be measure No. 3. Then the third measure to which you referred was measure No. 7 which is a consolidation and rationalization of regional offices for a saving of \$395,400. Then you referred to measure No. 2 which was an immediate moratorium on new or renewed contracts for management consulting and organizational planning of \$1,070,700 and I would ask the minister to comment about the nature of that cut and what the meaning of the term moratorium is as it relates to that particular cut.

Then the minister went on in his letter to me and reiterated that they had done everything possible to avoid disruptions in service to the public by making cuts in what he referred to as these discretionary areas and listed four effects that it had upon his ministry. I would like comment from him about what the effect is on the service to the public, considering that this is basically not only a revenue-collecting ministry but a service ministry in the strict sense of the term.

The four items were: 1. a delay in the implementation of an on-line computer system in the Province of Ontario Savings Office; 2. a change to the public information programme affecting Ontario tax credits, replacing booklets with articles published in magazines; 3. a delay of at least one year in the implementation of a computerized revenue division data base which is an integral part of our tax simplification programme; 4. the suspension of development work on longer-term refinements to computer applications within the assessment division.

That is the self-contained area that I wanted to discuss with the minister. Perhaps the minister would like to respond to those matters now before I move on to the other area that I do want to deal with briefly.

Hon. Mr. Meen: Yes, Mr. Chairman, certainly the basic reductions in personnel have been made without, I think, any terminations. We may have terminated one or two but if they have been terminated, I don't know

where they have been. Generally, the reductions have been accomplished through attrition of retirements, normal resignations and death, and simply a restructuring of the workload within the various parts of the ministry. They are not temporary. I would expect that they are permanent. We may be able to accomplish more.

The member for Yorkview—or was it Perth?—raised the question of the 31 regional assessment offices and the Henderson report as to whether there can be some rationalization of those when we're finished with market value assessment. I think that we will be able to do something like that, but again, it will not be at the expense, by and large, of laying off dozens of employees, if one rationalizes some of the offices, reorganizes the regions and so on.

These are ongoing programmes and as we get a little farther along with market value reassessment, to use that illustration, we will obviously have redundancies in operations where there won't be the same degree of workload in those offices and we will be able to accomplish some further economies there.

Mr. Renwick: Perhaps I could ask one question before you move on from that item. Can I have an assurance—and not right now if it is not possible to give it to me; perhaps after the estimates are over, by letter—that of the persons who have been part of the reduction of the complement of the Ministry of Revenue, all of them have been simply reaching retirement age or voluntarily leaving the service of the government?

[5:15]

If that is not the case, then could we have specifics of those persons, not necessarily by name, but by classification, who perhaps are the exception to it? I refer to those who were in fact terminations because of the need to cut the complement. Could I have the second part of that assurance? Again, I don't anticipate that all that information is available immediately. Could I have assurance that there has been no adjustment downward in the grade classification within the civil service classification of any of the persons who were affected by that reduction in complement? I'm most anxious to have that information, if I may.

Hon. Mr. Meen: Mr. Chairman, there have been no terminations, I am advised. I don't know of any instances under this programme where there has been any downgrading of a position. There is one instance in which one of the staff has been moved into a position of

a lesser salary level—he's red-circled—but that is the only one I'm aware of.

Mr. Renwick: I can take it I don't need a letter from you? I can take that as an assurance from the minister?

Hon. Mr. Meen: My deputy advises me that this is the case. There has been none but, if the hon. member would like me to do a double-check on that, I certainly would not mind going to that additional work to assure myself that it is the case.

Mr. Renwick: I would appreciate it.

Hon. Mr. Meen: Not that I have any doubts about his knowledge of it.

Mr. Renwick: No.

Hon. Mr. Meen: But, I think, maybe he and I would both like to make sure that has not occurred as a result of this programme.

Certainly there are occasions when employees, for whatever reason, reach a level where perhaps they feel they should be moved into something of a less demanding nature as they move along. I would just indicate that, although it's possible, there are one or two of those in that category. Those would be cases I would not consider a part of this programme of constraint. That's for other reasons altogether.

Mr. Renwick: I would appreciate hearing from you at a convenient time.

Hon. Mr. Meen: I'm only too happy to do that. The member has raised a number of bewildering points in talking about these various measures of constraints such as the 10 per cent reductions and whether they are with respect to the EDP, or whether they were personnel or complement cuts. I'm not quite clear on the nature of his question. Certainly, if I understand measure No. 1, it was with respect to complement—

Mr. Renwick: Which is the number we have been talking about.

Hon. Mr. Meen: Yes, to 3,962 from 4,115.

Mr. Renwick: My next item was also measure No. 1. It was \$341,200, so I thought it was a transposition and probably meant item 3 of the cost control measures.

Hon. Mr. Meen: I can't say that I am clear as to whether that would be the figure. Measure No. 2 is \$341,200.

Mr. Renwick: Oh, that's measure No. 2. Thank you.

Hon. Mr. Meen: If last time I showed that as measure No. 1, then I was mistaken and I apologize to the hon. member. It looks as if my 183 figure may have been correct in the first instance in terms of the gross cut. We did have a complement cut of 183. I believe it was in the GAINS branch where we had a number of people on contract since the institution of the GAINS programme in July of 1974.

It was inappropriate to have people on long-term contract on a programme that is here to stay. I think the 30 were added back in making a net complement cut of 153 instead of 183.

Management Board approved an addition of 30 back in I think that was with respect to GAINS. The net effect was then 153 but it was originally 183. That explains the two different figures.

Mr. Renwick: So the net reduction is 153.

Hon. Mr. Meen: That's correct.

Mr. Chairman: Item 1.

Mr. Villeneuve: Mr. Chairman—

Mr. Renwick: Mr. Chairman, I don't mean to interrupt but I have asked a number of other questions which related to the same area of concern. I'd like to pursue them.

I have now got it straightened out that the \$341,200 refers to the moratorium on new or renewed contracts for management consulting and organizational planning. Is that correct? Would the minister comment on that?

Then would he correct for me the measure No. 2 that I have for \$1,070,700, which presumably, and I can only guess, is the 10 per cent reduction in data processing budget.

Hon. Mr. Meen: I am sorry, I was momentarily distracted. The moratorium on consulting which the member was asking about, you see we have been trying to get into new computer systems for possibly a combination of corporation tax and retail sales tax, and new computer systems generally, and this had been intended as some studies along that line. So we just simply put that off for the time being.

Mr. Renwick: That's the \$341,200 and that's not permanent, that's a moratorium.

Hon. Mr. Meen: That's right. If we should be able to find it practical next year to get on with this, it is something that we think should be done.

Mr. Renwick: All right, now measure No. 7 is the consolidation and rationalization of regional offices of \$395,400. I don't believe I need a comment, provided that's the correct cross-reference, is that right?

Hon. Mr. Meen: I am told that is correct.

Mr. Renwick: Right. And the last item which must then be incorrect is measure No. 2, \$1,070,700.

Hon. Mr. Meen: That's measure No. 4.

Mr. Renwick: That should be measure No. 4, and measure No. 4 is the 10 per cent reduction in direct operating expenditures, such as travel, communication, supplies, services, furniture and equipment. Is that correct, or does it need any further elaboration from the minister?

Hon. Mr. Meen: I don't think so. I believe that's correct.

Mr. Renwick: Then I would like to know of the four items which were the impact on the service which the ministry provides, which I quoted a few minutes ago from his letter to me, to what extent is it affecting the service of the ministry? For example, I will leave aside the Province of Ontario Savings Office on-line computer system, until we come to that vote. But what is the effect of replacing booklets about Ontario tax credits with notices published in magazines, or articles in magazines?

Hon. Mr. Meen: I suppose it means there may be some who just don't fully understand and perhaps don't know enough then to make the application for a tax credit. For three years, I guess it would be, we did have pretty substantial advertising programmes in that end to try to acquaint people with the programme, being a new programme. We concluded that this year, faced with these constraints, this kind of thing—such as booklets by the hundreds of thousands placed all over the place, in banks and our own savings offices and every place where we could get a counter to put some of them out—maybe wasn't giving the kind of return that the cost ought to justify, and that in the long run, since the programme had been in effect for three years, perhaps for this year anyway we could trade on the knowledge that these people would have acquired.

We are not going to know too early, because a lot of returns won't be filed until the end of this month, but we are hoping that the cutback in that area will not significantly reduce the understanding by the

taxpaying public of the tax credit programme. I have been on radio and my staff have been on radio and television and in the press whenever we can to try to get as much publicity as we can. Maybe that's just as effective; I would like to think that it was.

Mr. Renwick: Mr. Chairman, I don't think I need to deal with the other three items. As I say, the one comes under the Province of Ontario Savings Office. They are really all related to delays with respect to your computerization programme, as I take it; in a sense they are deferrals of more elaborate use of the computer system within the ministry.

Hon. Mr. Meen: Yes.

Mr. Renwick: If that's the case, I would like to deal with the second area which is of concern to me.

Mr. Chairman: Is that in item 1?

Mr. Renwick: Yes, Mr. Chairman. I don't think you were in the chair when I got up. I had just two areas I wanted to deal with on this first vote.

My concern is that the Ministry of Revenue would appear—my reference is to the auditor's most recent report and I use the figures only for illustrative purposes not for accounting purposes. The Provincial Auditor's last report, for the year ended March 31, 1975, says that for practical purposes the Ministry of Revenue collects about 60 per cent of the total revenues of the province.

Using that figure, my concern, really, is why is it that the Ministry of Revenue does not extend the operations of the ministry to cover some obvious matters where there have been revenue accounting problems for the government because the collections are made by other ministries?

Hon. Mr. Meen: Mr. Chairman, is the hon. member referring to things like mining tax? What are you thinking of?

Mr. Renwick: Yes. I can give you the specific items I want to refer to. I am particularly concerned in the revenues of the province that the Ministry of Revenue does not take on—I believe it can be split off in such a way as to be taken on by the Ministry of Revenue—the vehicle registration fees of the Ministry of Transportation and Communications which have now been transferred, as I understand it, to the Ministry of Government Services. I am not certain about that.

In any event, it is quite obvious from the auditor's reports over some time that the system of collection of motor vehicle registration fees is inadequate and it would appear to me that that substantial amount of revenue coming to the province by way of fees should come through your ministry. I don't think it need to be hung up, as a proposition, on the fact that the issuing of the licences is tied in with the other operation of the Highway Traffic Act dealing with cancellations and all of that kind of rigmarole.

I am talking about the annual method used for the collection of the registration fees. In my judgement there are very severe condemnations of the present system set out in the auditor's report and, of course, they have been commented upon and repeated for some recent years as well as the current time. That's one area which I think the ministry should be responsible for.

[5:30]

The second area which I am equally concerned about is why the Ministry of Revenue is not concerned with—I am sure you are waiting on my words—the problem of collection of unpaid amounts under the Motor Vehicle Accident Claims Fund. The auditor's report indicates quite clearly there are significant amounts of money owing to the fund which are not being collected at the present time. Surely the Ministry of Revenue is the ministry which has the machinery for the collection of those funds.

Again, it is not related to the question of determining the obligation of citizens to the fund. It's a question that, when the obligation to pay is settled, and the amount owing confirmed, why isn't the collection process part of the Ministry of Revenue? I'm sure there are good reasons why it should be. I can think of no reason why it should not be a part of the function of the Ministry of Revenue to collect outstanding amounts. These go on year after year because of the nature of the settlements which are made after the full amounts of liability have been determined.

The third area about which I am concerned is in the Ministry of the Attorney General with respect to significant court costs outlined that are paid but not remitted to the province in certain instances. Also, where there are significant delays by some courts in remitting prepaid fines to the province, and where there are significantly large amounts of unpaid fines imposed by the provincial courts but never collected. Again, the Provincial Auditor's report sets out in some detail the

amount of unpaid fines which are not collected.

Surely there should come a point in time when the decision has been made, and the amount owing is understood and is clearly accountable to the province, that this Ministry of Revenue should have that responsibility. We shouldn't fool around with the Ministry of the Attorney General collecting those amounts of money.

I simply refer to the fact, as far as the auditor is concerned, that the statistical records prepared by the management audit branch of the Ministry of the Attorney General indicate the collective total of unpaid fines imposed by provincial courts throughout Ontario amounted to \$17,600,000 at Sept. 30, 1974. There is a whole aging process which could certainly be undertaken to find out which of them are collectible, and which are not, and how it should be dealt with.

I'm not suggesting I have been exhaustive in the areas that are of concern to me. I am saying I've used those three particular examples as the kind of function which should be performed by the Ministry of Revenue and not left scattered out among the other ministries who do not have the kind of skills and abilities which the ministry has for follow-up, collection and enforcement of these claims.

I'm sure I could think up others, but the three of great concern to me are: the unpaid amounts outstanding under the Motor Vehicle Accident Claims Fund; the unpaid fines in the provincial courts and the related matters of moneys not paid to the province from the court system of the Province of Ontario, and the one that I originally referred to, and that is, the collection is—what?—about three-quarters, as I understand it, of the so-called fees which are collected by the province, and centred in the motor vehicle registration system.

I would appreciate at least a brief comment from the minister on those matters which I believe are strictly within the main office vote of his ministry.

Hon. Mr. Meen: Mr. Chairman, the hon. member raises an interesting area for discussion—that is, whether the Ministry of Revenue should extend operations beyond the administration of the taxing statutes of the province. That's really what he's asking.

I would venture to say the main assignment of this ministry is to administer 16 taxing statutes. We have the other programmes—the OTC and GAINS and tax—but the negative income tax programme is certainly not a taxing statute; it is anything but.

It's related to income. The GAINS programme is related to income. They all have that common thread.

The other area, of course, of municipal assessment from the standpoint of the province is not related to anything except to get a common taxing base for the benefit of our partners, the municipalities.

I have always tended to look upon vehicle registration fees and the collection of those fees—in this case by the Ministry of Transportation and Communications; if it is being moved to MGS, it's news to me—but by whoever, as only a part of the total function of the vehicle registration. The monitoring of ownership and transfers and cancellations and the like has to be the major part of that activity.

Surely, the collection of the fees on transfers and on renewals is an ancillary part; albeit when you look at the number of dollars in the Treasury of the province—some \$221 million estimated for the current fiscal year—it isn't petty cash. All the same that function which the hon. member would suggest the Ministry of Revenue take over seems to me to be far more than just the collection of the fees which these various local registrars around Ontario are able, I'm confident, to collect and to remit.

Really, I don't know enough about the collection of unclaimed amounts under the motor vehicle accident claims fund to indicate to the committee whether that would be a matter related in any sense to the activities of my ministry. I don't really see how it would be, except to the extent that any body, such as the Ministry of Revenue or the motor vehicle accident claims fund itself, would have a claims or collection department. Perhaps what the hon. member is talking about is that we set up a ministry called a collections ministry or something to that effect.

It would then be going far beyond the aspect of administration of taxing statutes under which you have 139,000 retail merchants or 145,000 recorded corporations or X number, 170 or so, recorded tobacco wholesalers; and I've forgotten how many recorded gasoline manufacturers. All of these, within various taxing statutes, are recorded with the ministry and licensed. We have our people checking with them and a flow of communication back and forth. It seems to me a completely different kind of operation in revenue from that contemplated in the collection aspect of going out; writing the typical dunning letters which a collection agency would start with; followed in due course by the issuing of a writ and then the usual process through the courts.

We have our own activities in that regard, of course, when people are in default of filing returns, but again we are proceeding under the Act. We either have or have not their returns; we have things to start with. It just doesn't seem to be something that, to my mind at any rate, fits in with the activities of the ministry.

On court costs, I wonder who is best able to assess the adequacy of court costs? I think the hon. member indicated that maybe they've already been established, so perhaps there's been a taxing of accounts. The costs are established, but again he's asking that a form of collection activity be undertaken by a ministry which, by and large, is involved in other things. I'd have thought that the body presently responsible for the collection of the court costs under the Attorney General would be the one best equipped with the knowledge whereby they would proceed to make these collections. I am moved to ask the hon. member if he thought that those items might be brought in under revenue, why not the collection of OHIP premiums, for example, at \$790 million, if we think that \$221 million for vehicle registration is large?

Mr. Renwick: I think that if the minister would allow, I have a comment on that.

Hon. Mr. Meen: Yes, certainly.

Mr. Renwick: My answer to that was that in the case of OHIP you have an income and outgo operation. You have the payment of the doctors and hospital accounts. In the case of fines which are levied by the Crown in the provincial courts where you have \$17 million outstanding, not collected at the present time, that is a straight collection operation. They are recorded in the court offices and it is quite obvious that it is a serious defalcation not to have collected and not to have some continuing method of making certain that those fines are collected.

That's the distinction which I make and that is also the distinction I make with a great bulk of the motor vehicle accident registration fees during the period of time when the new licences for the current year are first offered for sale until Feb. 29, or whatever the annual cutoff date is.

In the other area, with respect to the motor vehicle accident claims fund, these are amounts that are finally determined. There is no outgo in connection with them, it is simply a question of collecting the funds which are due to the province. So it is the collection operation; and if the minister wants

to say that I am advocating that the Ministry of Revenue, in addition to its collection obligations under the 12 taxing statutes, including the Retail Sales Tax Act, should enlarge that collection operation or establish a separate division for collection purposes, then I think yes, my answer obviously is yes.

What I am saying is that there is an obligation on government to so establish their collection processes that we are not faced with the kind of failure to collect which is evident throughout these other ministries. In a strange way, your ministry deals solely with money. The other ministries, in many ways, deal with other areas of concern and do not have and cannot of necessity be expected to have the kind of skills that are required for the, if I may use the term, sympathetic collection of outstanding amounts owing to the Province of Ontario but not to be paid out by the Province of Ontario.

Hon. Mr. Meen: The hon. member certainly poses an interesting question. I have never really given that much thought—I would be less than honest if I were to say that I had given it any thought—beyond assessing the role of the Ministry of Revenue as the administrator of taxing statutes basically.

In the rationalization of all of the functions of government, if it were that maybe one section of one ministry should be devoted to the collection of all accounts—whether they were accounts established in the sense the hon. member for Riverdale assesses, an account taxed and established in the court and owing and outstanding and so on—if the collection of all accounts of that sort were centralized in one agency, it would probably be more efficient. I can imagine that a case could be made for something like that.

I am not about to say that I believe the Ministry of Revenue should take that over; but I would say this, we should give it some thought. It might just be that an agency in a ministry devoted to that kind of activity might be a very sensible route to go when one does look at the sizeable amounts of money that are outstanding under various ministries as they presently show.

Obviously, I have nothing in my estimates this year for something of that sort, but that is interesting to contemplate and I will have my people take a look at it with a view to determining whether there is anything of a practical nature that can be done.

[5:45]

Mr. Renwick: Mr. Chairman, I just want to narrow the scope of what I was asking the

minister and this will be my last word, at least on this matter.

I don't mean that the ministry should be responsible for all amounts owing by anybody to government. I am not casting the net that wide. I am looking at the statement of revenue, shown as exhibit 3 in the Provincial Auditor's report, which brings the 12 taxing statutes within the area of the statement of revenue. Then it has certain other headings. Royalties, for instance, which are in the nature of a tax in the broad sense of the term; I haven't referred to those because there may be special considerations about them.

I am referring to "fees, licences and permits," which again comes within the broad context of taxes, of which the significant proportion is the registration of motor vehicle fees. I am referring to the third item, "fines and penalties," where the total revenues of the province in 1975 were \$42 million; but, as I said, accumulatively there are \$17 million outstanding somewhere around the province.

I am not referring to sales of lands, businesses or facilities, and I specifically didn't refer to the Ontario Health Insurance Plan because of the inflow-outgo operation. That's the limit of what I wanted, and if the minister perhaps would consider it solely in the purpose and the interest of the efficiency of government in collection of the moneys which are owing to it, I think it would be helpful.

Mr. Villeneuve: Mr. Chairman, I would like to ask the minister a straightforward question. The Premier of this province (Mr. Davis) has often assured the Franco-Ontario population that the ministry as a whole would accept and try to give information in Canada's official second language to the extent that that would be feasible. Since taxation affects each and every citizen of this province, has your ministry given any consideration to implementing the bilingual programme here?

Hon. Mr. Meen: Yes, we have quite a bilingualism programme, Mr. Chairman. I think my ministry is one with a real policy directive on bilingualism.

All my branches answer French correspondence in French. I have informed the central government switchboard of persons to whom French calls should be referred. All documents in wide public use are bilingual now, notably and particularly the GAINS and the assessment material. There are 20 French or bilingual documents produced in the ministry altogether.

Signs in certain designated bilingual areas, in my ministry offices, are being replaced with

bilingual signs as they require replacement. I don't know whether the member would be interested in this, but in Sudbury and North Bay the signs are bilingual. In Windsor and Welland they are presently English. Ottawa is converting to bilingual signs. That's under retail sales tax. For assessment, designated areas are bilingual. The Province of Ontario Savings Office at Pembroke is bilingual, for example.

The retail sales tax branch, I am advised, has appointed a bilingual co-ordinator, who will determine what forms and documents need to be translated; and he is going to set up facilities for hearing notices of objection in French too. Retail sales tax bulletins and relevant forms are going to be produced in bilingual versions. Retail sales tax notices of objection are going to be heard in French.

The gasoline tax branch will be producing a letter in French explaining gasoline tax refund claims, and it is going to attempt to recruit bilingual auditors. All reassessment advertising and information, as I indicated, is going to be bilingual.

POSO, our Province of Ontario Savings Office, is going to make French cheque books available, in addition to currently available deposit and withdrawal slips that are bilingual; and recruitment advertisements in some of these designated areas will be in bilingual form.

I don't know if that's enough detail for the hon. member, Mr. Chairman, but in case he wanted anything more, in my GAINS programme I probably have some further details I could give him.

Mr. Villeneuve: That's pretty much what I wanted to find out, Mr. Minister. I'm quite satisfied with your answer.

Hon. Mr. Meen: Well, thank you very much.

Mr. Chairman: The hon. member for Niagara Falls.

Mr. Kerrio: Mr. Chairman, my remarks will be directed in one specific area—refunds in the motor vehicle fuel tax area. The ministry, in the amended Act of 1972—would that come in this vote?

Mr. Chairman: No, that's not in the main office vote. That would come later on.

Mr. Kerrio: Could you indicate where? I want to talk specifically on the motor vehicle fuel tax refund.

Hon. Mr. Meen: That's vote 902, item 3, Mr. Chairman.

Mr. Chairman: The hon. member for Beaches-Woodbine.

Ms. Bryden: Thank you, Mr. Chairman. I wanted to make a few general comments under the main vote, and the first thing I would like to say is, it isn't really the ministry's responsibility, but I think we should complain that the estimates for this ministry were just tabled today; even though I appreciate the fact that the ministry did send us a Xerox copy, although it was one single copy for each opposition party.

Hon. Mr. Meen: If I may just comment, I didn't get my copy until today either. I've been working from a Xerox copy. The hon. member for Beaches-Woodbine could have had any more number of Xerox copies if she'd asked for them.

Ms. Bryden: Thank you, Mr. Minister. In a lot of jurisdictions, the estimates are tabled before the budget so that members do have an opportunity to study them, and the official printed copies are available for all members without having to seek them out.

This ministry, if you subtract the GAINS transfer payments which are a specialized programme, according to the estimates will be spending about \$68 million, of which approximately 60 per cent is for the assessment programme. So it is really a two-pronged ministry, a revenue-collecting ministry and the administrator of a very important municipal tax base programme, namely the assessment. I think, even though the amounts may not be very great, we have to look at the figures here, which seem to indicate that in most areas the ministry is holding the line on expenses.

There are only two conclusions one can draw from that: Either the expenses of the previous year were somewhat excessive, that there was waste and they have been able to cut that out in order to bring their expenditures down somewhat below last year in many of their branches; or the 1976-1977 figures are unrealistic.

As we go along in some of the estimates, I must say that I'm going to question how some of the services votes can be cut so drastically. There must have been a drastic change in programmes, or some of the previous services were found to be unnecessary.

For example, under management systems, the services vote had gone down from \$473,000 to \$170,000; the supplies have gone down from \$61,000 to \$23,000. I just wonder how realistic that kind of a cut is, or is it simply window-dressing and they may run

out of supplies and borrow from somewhere else until the fiscal year is over? In other words, have we got real elimination of waste or is some of it cost-cutting for this particular year and it will all be put back in as soon as March 31, 1977, goes by?

I think it's rather interesting that this is the first year we have something called policy and planning in the ministry administration. The descriptions of our ministries put out by the Civil Service Commission and other people who publish booklets on the government say that is a non-policy department. That may be a good description of it, but it apparently has a policy and planning branch now. If it has any policy functions, I think it should be looking at some of the questions that my colleague the member for Riverdale (Mr. Renwick) raised as to whether it could take over some of the revenue-collecting functions of other branches. There are a few other areas to which it might consider persuading the cabinet that its jurisdiction should be extended in order to prevent duplication in the government.

For example, I understand that when the assessment is completed there will be a complete registry of all housing in the entire province. This could be very valuable as a data bank for the Ministry of Housing in planning future programmes. It wouldn't need to take as many surveys of need if it has all this information in the Ministry of Revenue. I understand that the assessment branch will also have complete financial reports from all apartment owners, which could be provided to the rent review people so they wouldn't have to go in for as much collection of data whenever applications for increases are made.

I have heard that the North Pickering community operation, which is planning the new town and was considering acquiring a good number of parcels of land, set up its own computer operation, costing several mil-

lion dollars, to get an inventory of all the land in North Pickering; and that the assessment branch was doing the same thing. If this is true, this is another area where the ministry perhaps could have been alert to the fact that this was going on and got the two operations together in order to save money for the government and for the taxpayers.

With regard to the assessment operation which the ministry took over in 1970, we seem to have had nothing but a series of starts and then restarts, changing the basis and changing the manual; and then postponements year by year on various pretexts or excuses. I think in 1973 the first one was that the California manual hadn't worked out and hadn't produced market values, and I'm not surprised. Then they said that the sudden surge in realty values, particularly in the residential field, had upset their programme, although it seems to me that if the first assessment had been done right they could have factors ready to update as required.

As my colleague the member for Yorkview (Mr. Young) said, it looks as if these were merely excuses and the government just wasn't ready to face up to the impact of what reassessment at market value was going to do.

We have been warning the government about the shifts that would occur from commercial and industrial to residential as a result of reassessment to market value. I think our members on the John White select committee and on the Smith report warned about that, and said that the government should be planning how to adjust and react to that impact, how to compensate for it and prevent it from happening in a lot of cases.

Mr. Chairman: I must remind the hon. member that we have reached the time for our usual dinner break.

The House recessed at 6 p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, April 22, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 22, 1976

The House resumed at 8 p.m.

ESTIMATES, MINISTRY OF REVENUE (continued)

Mr. Chairman: When we rose at 6 o'clock, the member for Beaches-Woodbine had the floor.

On vote 901:

Ms. Bryden: Thank you, Mr. Chairman. When we rose, I was discussing the fact that almost two-thirds of the budget, or 60 per cent of the budget of this ministry, covers the assessment function which we started out in 1970 as a provincial responsibility. Up to the end of the last fiscal year we have spent approximately \$211 million on this function and we don't seem to have very much to show for it, because it has not yet been implemented. The inequities that it was supposed to remove are still frozen and causing all sorts of further losses to the people who are over-assessed and gains to the people who are under-assessed and also very great inequities and problems in connection with the dissemination of provincial grants.

For instance, the city of Windsor complained that as a result of the failure to get the market value assessment in and the use of equalization factors, that in 1975, compared to 1974, their unconditional grants only went up 5.06 per cent when a lot of other municipalities, some of similar size, were going up as much as 18 to 43 per cent.

They feel a great deal of this situation, which was due to the failure to get an equalization factor that took account of the changes in the assessment and the freeze on the assessment over the past six years, has cost the city of Windsor millions of dollars and they will document that. They already have in a letter they sent to the provincial Treasurer (Mr. McKeough) and he referred the letter to the hon. Minister of Revenue (Mr. Meen), who replied that with regard to their request that the equalization factors should be reconsidered:

It follows that to calculate further equalization factors within Essex county or any other county at this time [This letter

was dated August, 1975] would be totally inappropriate and could only lead to a redistribution of the inequities which initiated the reassessment programme.

So that, in effect, he told the city of Windsor that they would just have to put up with losing what they thought was their fair share of provincial grants until such time as the assessment department could get itself organized enough to produce our proper reassessment.

Now we are going to examine a proposal that has come out of the budget speech and to reform the property tax base in order to prevent the shift that I was mentioning earlier from industrial and commercial to residential, and we have only a few months given to the municipalities and the people generally to examine this fairly sweeping proposal to meet these shifts, which we have been warning about for six years. It seems to me that they are not going to have very adequate time to examine a very serious change.

On the other hand, the longer we delay, the longer the inequities that the assessment programme is intended to remove are with us. It just seems that the government has bumbled along for six years, leaving this province to get into a more and more inequitable tax base for our local property taxes.

Mr. Good: Your party supported that back in 1970. We voted against it.

Ms. Bryden: I'm not saying that the assessment function shouldn't be at the provincial level. What I am saying is that the way it has been administered in the past six years is—

Hon. Mr. Meen: Oh come on, Marion!

Ms. Bryden: —little short of disgraceful, in that it has taken so long and the proposal to offset the shifts has been so late.

There are just one or two other points I wanted to raise. The ministry has been administering the home buyers grant programme and we did have some discussion of this when the supplementary estimates went through, but I don't think we found out

entirely what was the situation with regard to the number of fraudulent payments and how many of them had been recovered. Secondly, what was the situation with regard to the number of grants which were being disqualified on the basis of the assessor's statement that they were not arm's length transactions?

There seemed to be some feeling in the committee that some of these disqualifications were unreasonable, or there seemed to be more of them happening after the election than before. At any rate, we would like some figures on how many have been rejected and how many of the fraudulent ones that were paid have been collected back. Also, I would ask if there are any later figures on the total number given out and the number over \$100,000, which I think was about 342 at that time.

Just one question with regard to Teela: Now that the minister says that Teela's services to the province are becoming less and less—we were never convinced that they were all that great when you were collecting your own data—but now that they are very minimal, is there any justification for giving Teela the information that our assessors and computers collect so that they can sell it in the private market? Would it not be considered proper now to charge them a fee for that service, or else to make the service available as a direct government service, possibly for a fee too? It seems to me that it is a rather cosy arrangement whereby they are obtaining free information from us and then reselling it.

I think those are the only points I wanted to raise at this stage, Mr. Chairman.

Hon. Mr. Meen: Mr. Chairman, there are a number of points the hon. member raised before we rose for dinner. She talked about the complement in the ministry. I just want to refer her, if I can find my notes here, to the decline in complement—which has been steady, it didn't just happen.

Well, it has in a way; in 1973 it was 4,082, in 1974 it was 4,084, in 1975 it was 4,115 as I mentioned, and now we are down at the level of 3,962, give or take. So it has been steady to drifting downward over the last little while. The point I want to make really is that this isn't just an abrupt reduction. We have been striving toward this kind of efficiency, which bears out the observation I made on April 1 that we already tend to be a rather lean ministry.

Ms. Bryden: Mr. Chairman, with respect, may I say that I did not raise the question

of complement really; that was my colleague. I raised the question of the items labelled "services and supplies" which seem to have gone down drastically, particularly the management systems ones I cited.

Hon. Mr. Meen: When we get into that part of the votes, Mr. Chairman, I think perhaps I can give the hon. member some other details. I don't have those figures at my fingertips at the moment.

The hon. member was asking about our policy and planning branch. The name itself, policy and planning, Mr. Chairman, is probably misleading, as was indicated by the member for Beaches-Woodbine. The Minister of Revenue really is not in the overall fiscal policy and planning end of things, but this section, which we have put together from sections in other disparate parts of the ministry, is more related to keeping things organized within the ministry, the planning of things such as the estimates, the review of operations in the ministry to see that we are meeting our objectives, the establishment of the overall accomplishments and determining whether our management by results is meeting our criteria.

These are the objectives and the activities of the policy and planning group, rather than a sort of fiscal policy and planning which the name may connote. I have reflected from time to time on whether there shouldn't be a better name for it, but up to now I haven't come up with one. It may better be described as a kind of organizational committee, seconded as it is. It is new, as hon. members will see. It is new this year but it is lifted in part from other parts of the ministry.

The hon. member was talking about some reductions in some of the other ends of the ministry; in some measure, although not in large measure, some of those reductions are a result of that complement being lifted from there and being put into this new group. The need for this kind of thing was identified by a study team which I had in operation about a year ago. They reported about June or July and they noted that we lacked adequate co-ordinative machinery and that there was a need for more initiative in the area of policy development of this operational sort.

We set this up in July last year as a sort of ad hoc group within and under the deputy minister's office. I might tell the hon. member for Beaches-Woodbine that the staff is eight, seconded from the revenue division. There is one from the revenue division; from the assessment division, two; from support services, three; and from ministry administra-

tion two. The group was organized not to develop new functions but to perform existing functions in a co-ordinated way and to do so, therefore, more efficiently by centralizing them under one head. One of the roles which they have assumed recently of course has been the co-ordination of the ministry estimates—this is a sort of on-going programme—the forecasts for the future and, as I have already mentioned, the establishment of managing by results or MBR projects. They perform in that sense a monitoring function, so I can say that it's not an overlap with Treasury. In fact I was careful from the beginning to make sure the Treasury understood what we were doing and they wouldn't think that we were attempting in any way to usurp any of their fiscal policy prerogatives.

Ms. Bryden: It is still a non policy.

Hon. Mr. Meen: It depends on what you then define as policy. That's why I say that this may be a bit of a misnomer. It's in the category of management policy perhaps—management of all responsibilities which happen to fall primarily in the area of administration of 12 taxing statutes, the tax credit programme, the GAINS programme and the assessment programme—along with POSO, of course, and we mustn't forget that very valuable end of the ministry.

[8:15]

Since the member asked me before dinner I have asked the staff, about the North Pickering assessment and valuations on properties that were under expropriation. I asked them to determine for me whether there was, in fact, any overlap, or whether it was a case of my ministry being unable, at the time when the North Pickering group required these figures, to provide figures for market value valuations on properties that were under expropriation or negotiation for purchase at the time. I haven't got that yet.

A lot of this discussion we've been involved insofar under vote 901 has been free-wheeling right across the entire ministry. There was another vote directly related to assessment, and I trust that the hon. member will permit me to maybe answer that question when we get to that vote. I would hope that I would have the answer by that time. I don't know what the answer is, to tell you the truth. I'm speculating, though. I just can't imagine that we would, consciously at any rate—indeed we wouldn't permit it to happen—have two bodies with this information available, or one body with it available and another body needing it and going out and buying it in the private sector by way of

hiring assessors or others to give them these figures.

The hon. member referred to Windsor and the correspondence that I had with them. You must recognize that last August, and indeed until last month, my ministry has been looking toward November of 1976 as the time we would bring in the assessments for 1977. So looking just another year down the road, to my mind, doesn't look all that tough for Windsor. Now Windsor is going to be expected to look two more years down the road, this year and next.

I would emphasize to the hon. member, and remind her, that the inequities of which Windsor complains are not inequities existing between classes or inequities brought about by the assessments my ministry has made, but rather they are inequities created in the Sixties by their own assessors at a time when they had such variations in their approaches to assessment that they wound up with these gross injustices, and they are simply frozen. Those are the assessments that were frozen in Windsor in 1970. We, at that time, didn't expect that it would take six or seven years before we would get them into a more equitable position, but the fact of the matter is that those inequities are of their own making.

That doesn't mean I'm not sympathetic to their problem. I know a lot of the problems by putting this all on a common base, with assessments being made by a ministry that has nothing to gain or lose by the way in which it's done, except to do it as well as we possibly can. That's what we're going to do, although it's taking us a little bit longer than we had originally thought.

It puts me in mind of the sign I used to see down in the county court office of the county of York. The sheriff or the county clerk, I've forgotten which, had a sign up there saying, "The difficult we do at once. The impossible takes us a little longer." This is turning out to be, not an impossible task but certainly it's turned out to be a more difficult one than we thought it was going to be. We encountered more problems, and on top of that those problems were compounded by the sudden escalation in market values in the late 1973 into 1974. So I think everybody has to bear with us. I guess most people in this area of activity know the problems, but we're struggling to get them resolved.

The hon. member was asking about home buyer grants. Here again, I can answer the question later, but I might just as well answer her now, if I can find it in my material on home buyer grants. On fraudulent claims—she said "fraudulent payments," but I think

she meant fraudulent claims, giving rise to payments—I think I can give her the figures she was asking for.

She was asking about prosecutions. It may take a little longer, Mr. Chairman, but I think there will be some merit in it.

Here is a relatively short statement, rather than getting involved in a long one: As of March 19, 1976, 55 claims had been referred by the benefits control section to the special investigations branch. The status of these referrals was, at that date, as follows:

Referred, 55; rejected for prosecution, 25—in other words, 25 of the 55 were not considered to be strong enough to merit prosecution. Those were cases where they shouldn't have claimed but it was difficult to show culpability of a sufficient degree to merit prosecution.

Then "Rejected for prosecution under Ontario Home Buyers Grant Act but possible prosecution under the Land Speculation Tax Act," and you can see that there would be a few there, where they may have filed a false affidavit. There were four under that category.

"Under consideration by the legal branch"—in other words, we don't have a ruling from them yet—there were another four.

Eight currently are being investigated and the number of charges laid is 14, making in all a total of 55.

Ms. Bryden: Mr. Chairman, may I ask the minister one question on that?

Hon. Mr. Meen: Yes, go ahead.

Ms. Bryden: In how many cases was the payment actually made and then you discovered that the claim was fraudulent and you tried to recover the money? How many payments have been recovered?

Hon. Mr. Meen: I am advised that in all of those cases the payments would have been made. I am advised that there may be one or two in which about halfway through the mechanism the payment was stopped or something of the sort. Presumably they got at least to the stage where cheque issue was authorized and, indeed, the cheque may have gone out; then something showed up and we put a stop-payment on the cheque. But basically the moneys were issued.

As of today—I have a current update now—the number of cases referred is 83, rather than 55. In court, instead of 14 there are 28. The number of cases closed due to lack of evidence is 30, compared with 25 before. There are now 25 cases under investigation,

and so far there have been two convictions and one acquittal.

The last point the hon. member raised was about Teela Market Surveys and whether we shouldn't be charging them a fee. As I mentioned—the hon. member is aware of this—we're winding this down. I can't honestly tell her how long it will be before it is phased out, though I would guess that it would be phased out about the time when we come into full market value assessment, which will be the end of next year. But it is being wound down.

I outlined to the committee the things that we provide to them, and I outlined to the committee the items they provide to us. I would be speculating, but my speculation is that if we were to charge them a fee, or if a fee were to enter the picture, they would wind up in a position where they could charge us, because what we get from that at the present time is at least as much as we're giving them in return. So, if we got on to a fee basis, I suspect that it would run the other way; therefore, I don't see any point in pursuing that, and I haven't pursued it in the past. It's simply a matter of letting this wind itself down.

Mr. Chairman: Shall item 1 carry?

Ms. Bryden: Mr. Chairman, just one further question on Teela. I understood the minister to say that what services they were providing to us would disappear very shortly when we were on full market value. Therefore, I'm suggesting that when we get to that stage, if they want material from us for their service, we should charge them.

Hon. Mr. Meen: That is exactly what I am suggesting. I think that by that stage they will be getting whatever they want. They are entitled to come in and ask for it, as any other taxpayer is, and then they can get it. Otherwise, there would be some fee charged to them. On this basis, where we've got this reciprocal arrangement going, I don't see any point in working a charge to them because that would automatically attract the argument from them that we should be paying for the service and for the information that we get from them.

Counting such matters as their title searches, their sketches of the properties and the other matters that they provide to us, that would probably exceed the value of the material we give to them. When we get down to a point where we are on market value assessment, we won't need any of that further information. It will be coming through auto-

matically by the information posted to us from the registry offices on valuations, and we will have all the information anyway.

Mr. Maeck: Just to follow up with a short question, before dinner, the member for Stormont-Dundas-Glengarry (Mr. Villeneuve) posed a question regarding bilingualism in the ministry. I am interested to know if there are any facilities within the ministry at the present to deal with people of other languages.

Hon. Mr. Meen: Yes, as I mentioned, our information service in GAINS is most extensive. We have facility in—I have heard the figure of 35 languages used.

Mr. Lawlor: There are 36 languages. You have forgotten gobbledygook.

Hon. Mr. Meen: Is that the 36th? The telephone answering service, for example, for OTC and GAINS is fluent in 18 or 19 languages and generally our people are competent to deal with all the linguistic problems that come up. Given another minute or so, I can probably find a page where I can give you greater particulars.

Mr. McClellan: The member's timing must have been off.

Mr. Maeck: Surely you people don't resent the fact that we ask questions on this side of the House once in a while, do you?

Hon. Mr. Meen: I mentioned before dinner some of the publications that are bilingual. The OTC bulletin, the tax credit guide, is bilingual. The booklet was bilingual. The tax credit form itself has explanations on the back in separate English and French. The GAINS material, the brochures, are bilingual. The tables are bilingual.

Mr. Chairman: That is not the question that was asked. The minister answered that before dinner. He asked you about other languages.

Hon. Mr. Meen: In part I did.

Mr. Maeck: I am only asking about languages other than English and French.

Hon. Mr. Meen: Then I have answered the question. We have facilities in some 18 or 19 languages on the telephone answering service and we also have some fluency in about 35 languages.

Mr. Edighoffer: I have two very brief and unrelated questions. The first one has to do with the Management Board orders, which I

mentioned in my opening remarks. During the supplementary estimates we learned that the ministry had received \$900,000 through Management Board orders. Were there any other items during the last session?

Hon. Mr. Meen: No. To the best of my knowledge the only MBO was at a time when the House was not sitting. It was for the purpose of paying the February instalment of GAINS for which we would not have otherwise had authority. The increase having occurred in January and the funds being exhausted, it was necessary that we go to Management Board for an order for the February instalment. We could, I think, have gone to Management Board for a board order to cover March as well. That board order then would have been for \$9.1 million as well as the \$900,000 or so for which we had a board order issued to cover the balance of moneys required for the February instalment. We decided not to do that for the simple reason that we expected the House to be convening and that I could then come back with a supplementary estimate for the \$9.1 million.

[8.30]

Mr. Edighoffer: I understand there were no other Management Board orders in any part of your ministry?

Hon. Mr. Meen: I believe that's correct.

Mr. Edighoffer: Okay, thank you.

I recall passing the amendments to the Income Tax Act last fall, I believe it was November, setting the rate at, again, 30.5 per cent. Why was this legislation introduced prior to the budget? What lead time does it take to notify the federal government?

Hon. Mr. Meen: Remember that employers are very busy deducting tax from their employees for the calendar year, beginning with the first pay period in January of this year. It was necessary for them to have authority to make those deductions. Without the passage of the bill, to be effective Jan. 1, they would have no such authority so it was essential that that be approved for 1976.

Mr. Young: Along the same line as the hon. member asked a moment ago, we have had the budget here. Is the minister certain that this budget is going to provide all the services he needs this year or will we be getting supplementary estimates later on? There's going to be some problem in finishing the valuation file recovering information from the computer—a very expensive proposition—and the staff needed to put this whole

thing into effect. Or will some of that be postponed until next year—that is until 1977-1978?

Hon. Mr. Meen: Mr. Chairman, I guess it's fair to say that's what estimates are all about. One sits down with a sharp pencil to try to determine what you're going to need to do a job. I can say that my staff and I are confident that we can do the job within the figures set out in these estimates.

Mr. Young: You'll still be lean and hungry.

Hon. Mr. Meen: Yes, we'll still be lean and hungry on March 31, 1977, Mr. Chairman. Hopefully, we'll have discharged our responsibilities adequately.

Mr. Johnson: Mr. Chairman, I have a question for the minister. In 1973, the Ontario government had established the women Crown employees office as part of its support for equal opportunities for women in the public service. Its policies were given further emphasis during the recent International Women's Year. I'd be grateful to know what the Ministry of Revenue has done in this regard and what are its plans for the immediate future.

Hon. Mr. Meen: Under the equal opportunity programme, of course, there have been lots of matters which have been proceeding.

The programme has been designed to involve decentralized staff among our 68 offices. We focused on assisting large steno groups and clerical groups, for that matter, as priority as opposed to trying to organize the professionals who seem to have a bit of an edge in that respect. We've set up a special educational fund to assist people in self-improvement and personal development and this is an ongoing thing which the hon. member may have had in mind.

There was a conference of the 75 or so members of grassroots organizations of the women within the ministry. They had a conference last fall and they are planning one for next year.

They are planning development of career information profiles for all the staff; a programme in which they can take a look at career information profiles. I'm advised they have a special research project in which they're investigating potential for a new Ontario government programme in tax credit areas related to child care expenses. I don't know much about this. They're going to be looking into it in the coming months. It's possible that something of this sort might be operated within the Ministry of Revenue.

For ongoing purposes, they have their monthly information kits. They have these workshops I was talking about and their conferences. They have liaison with the affirmative action committee and just generally they are a very active group within my ministry.

Mr. Foulds: The minister was speaking about language facility in his ministry, and I would like to know if he has the availability of those 35 languages.

Hon. Mr. Meen: Mr. Chairman, I've heard that figure, but frankly the figure I feel more comfortable with is 18 or 19.

Mr. Foulds: Eighteen. Does it include Ojibway and Cree?

Hon. Mr. Meen: I have no idea, but if you care to ask me that when we get into that particular vote, I can probably give you the answer.

Mr. Foulds: Fine. Thanks very much.

Mr. Lawlor: I just want to deliver a dithyramb, a eulogy, whatever it is I want to deliver. Have you ever thought—I'll be very brief—in terms of your ministry of just what an immaculate record of efficiency you really have? Taking a \$4 billion budget, do you know how much it costs to collect that money? We hear in this House, with respect to charitable institutions, of various kinds of rake-offs at the top. With less than one-tenth of one per cent do you do this magnificent job.

Don't you think government's a wonderful institution? Don't you think that the efficiency of government beats anything that can be done in the private sector? I think you should be given the highest accolades. I think, as a result of being Minister of Revenue—

Mr. Eaton: Just because the private sector collects a lot of it for nothing.

Mr. Lawlor: —you also might become a socialist in the process and say "I've performed this task with great aplomb, streamlining it." What I really want to ask is how many lawyers have you got in this department?

Mr. Chairman: That's in the next vote.

Mr. Lawlor: That's next? It's the first vote.

Mr. Chairman: No, that's in—shall item 1, the main office, carry? Carried.

Item 2, legal services.

Mr. Lawlor: I see. I'm still here.

Mr. Chairman: You have the floor.

Mr. Lawlor: Thank you.

Hon. Mr. Meen: What are we on?

Mr. Chairman: Legal services.

Mr. Lawlor: I want to know all about the lawyers. How many have you got in the department? There must be a fancy amount of legal talent for \$356,000. That's all I wanted to know.

Mr. Ruston: Four or five at the most.

Mr. Lawlor: Four or five?

Mr. Eaton: Two or three.

Mr. Lawlor: Let's make it half a dozen, for heaven's sake.

Hon. Mr. Meen: I have none in the Ministry of Revenue.

Mr. Lawlor: What's all this about then?

Mr. Chairman: It may be why it works so well.

Hon. Mr. Meen: First of all, I want to thank the hon. member for his compliments on our efficiency in the administration of the tax system in Ontario.

I was about to turn up the tables to show you the cost of collecting the moneys in the ministry but maybe we could get to that later. My short answer to the member is that we have no lawyers in this ministry because they're all members of the Ministry of the Attorney General. That is why there are no figures for salaries shown under item 2 of vote 901.

You'll notice, Mr. Chairman, that there are items for transportation and communication, services, and supplies and equipment but nothing for salaries. The reason is they're paid out of the moneys of the Attorney-General.

However, the item for services, \$348,300, is made up—I guess 99 per cent; at least a substantial measure—of services charged by and paid to the Ministry of the Attorney General for the salaries of the lawyers. To be more practical about the answer and to tell the hon. member for Lakeshore (Mr. Lawlor) just how many lawyers I have really working on behalf of the Ministry of Revenue, I would answer that we have 11 plus their staff support.

Mr. Chairman: Shall items 2 to 4 carry? Carried.

On item 5:

Mr. Lawlor: Mr. Chairman, this bemuses me too. You know, here's a ministry that does no planning, which has no policy, and yet has \$176,000 dedicated to this specific purpose. It does absolutely nothing with respect to policy touching taxation measures. Any time any question of any substance is asked during these estimates, he refers us to the Treasurer, and we are left hanging with the most flimsy, inarticulate cobwebby ministry of the whole lot and yet he has the infernal presumption, the gall, to shove in \$176,000. Justify your existence.

Mr. Chairman: I believe that was answered earlier.

Mr. Lawlor: Was that answered earlier?

Hon. Mr. Meen: You know, I am bound to say it is just too bad that the hon. member for Lakeshore wasn't here earlier and he wouldn't have had to ask the question.

Mr. Lawlor: I will read the Hansard.

Mr. Chairman: Yes, you can read it in Hansard.

Mr. Spence: Item 5, in regard to the speculation tax—

Hon. Mr. Meen: You are on the wrong vote.

Mr. Spence: Am I on the wrong vote?

Hon. Mr. Meen: I think the hon. member will find the land speculation tax under succession duty, which is item 4 of vote 902.

Mr. Chairman: Items 5 to 7 agreed to? Carried.

Vote 901 agreed to.

On vote 902:

Mr. Chairman: Do you want to go through this item by item? If so, 902(1), administration. Item 1 agreed to. Item 2, corporation tax and other taxes.

Ms. Bryden: Mr. Chairman, I have a question in connection with this item and the same question in connection with item 5, and that is that last year there was an amount shown as a recovery from other ministries which was offset against the estimate, a total of \$155,000 in the two votes. It doesn't seem to show this year. I would just like to ask where those recoveries have gone. It really means an additional increase of \$155,000 in costs this year if we are not getting those recoveries.

Hon. Mr. Meen: I am advised that Consumer and Commercial Relations was doing some of our EDP work for us at that time and we were doing work for them too, so there was that degree of balance between the two shown for a figure, and I take it that this year there isn't anything contemplated, of a similar nature that is, you see.

Mr. Good: Could I inquire under what vote the land transfer taxes fall?

Hon. Mr. Meen: Under vote 902, item 4, succession duty.

Mr. Young: I have a short question for the minister in respect to item 2, corporation taxes. The federal government has a policy of deferring corporation taxes under certain circumstances, and there's a very large amount of money piled up there. Does the Province of Ontario have the same sort of policy, where corporation taxes can be deferred?

Hon. Mr. Meen: I am advised that yes, we have that kind of policy in effect as well.

Mr. Young: Has the minister any idea of what assets we might be carrying in this respect? Would all these taxes be paid at some future date?

Hon. Mr. Meen: Oh, in other words, what kind of security do we have for the payment of the moneys?

Mr. Good: How much are you carrying?

Mr. Young: How much are we carrying, yes.

Hon. Mr. Meen: Of course, they are not yet due. They are deferred, so presumably we have no particular—

Mr. Young: What I want to know is, will those taxes ever be paid? Corporation A has a tax of \$100,00. They are deferred for future payment. Will it ever be paid, or is that an asset in our books, or is it something that we will write off eventually?

Hon. Mr. Meen: It certainly isn't intended or expected that it would be written off. My advisers tell me they have every expectation that these accounts will be paid.

Mr. Young: Have we any estimate of the total amount that is deferred in this way, standing on the books to our credit?

Hon. Mr. Meen: I take it from what my staff are saying that we don't have an estimate, because we don't have it set up. It is not yet a liability. Therefore, it is not set up as a receivable. Therefore, it follows we don't,

at least immediately, have available a figure for the total amount that would be a receivable.

[8:45]

Mr. Young: Then I take it, Mr. Chairman, that the situation is something like this; certain corporations in Ontario are not paying taxes but at the same time the government of Ontario has no method by which to collect those eventually. The whole thing is in limbo.

Hon. Mr. Meen: In short, I don't think that is the case, because we would have some way to determine the deferral. You see, I think it becomes a question of whether it is a tax liability or is it a tax deferral. If it has been deferred it is not a liability.

This may be a matter of semantics, but let me outline for you some material my staff have handed me with respect to the years 1971 and 1972, which is the latest year for which this information is available. Corporations in all of Canada deducted capital cost allowances for tax purpose and depreciation, for book purposes, as follows:

In 1971, the number of corporations was 228,458; in 1972, 234,967. Of those, capital cost allowances deducted for tax purposes in 1971, \$5,388,800,000; 1972, \$6,162,800,000. Now depreciation deducted for book purposes: 1971, \$4,676,800,000; and in 1972, \$5,054,600,000; leaving taxable incomes deferred of \$712 million in 1971 and \$1,108,200,000 in 1972.

Assuming 40 per cent of this was in Ontario—and this is an assumption—that would be \$284,800,000 in 1971, \$443,280,000 in 1972. The Ontario tax on that deferred, then, is \$34,176,000 in 1971 and \$53,193,600 in 1972.

The source of this is corporation taxation statistics, 1972, of Stats Canada. I don't know if there is anything more I can add to that, but there are the figures for deferred tax as they would appear to the latest year available. This was as of March 18, the latest year we have available through Stats Canada.

Mr. Young: Mr. Chairman, my problem is how can we relate that into deferred tax, the tax charged to corporations. It's deferred and yet there is no method by which we get it, eventually, into the Treasury. This seems to be the situation. In other words it will be, in effect, a forgivable tax in the long run.

Hon. Mr. Meen: No, it is not forgivable.

Mr. Young: It just disappears then, does it? When is it collected? When will it be collected?

Hon. Mr. Meen: I am advised that the money becomes a receivable at the time they stop increasing their assets; or when they have depreciated their existing assets to certain levels then these moneys come in. But the moneys are deferred in the interest of creating further capital investment.

Mr. Young: In other words, as long as they reinvest, then this money does not become due? That is essentially correct, isn't it?

Hon. Mr. Meen: That is essentially correct.

Mr. Young: And that means simply that these companies are building up their assets out of the provincial Treasury?

Mr. Samis: Paid for by the taxpayer.

Mr. Young: Paid for by the taxpayer.

Hon. Mr. Meen: Well that is the purpose of the provisions in the Act, to allow certain tax deferrals.

Mr. Young: Yet we point the finger at the people who are receiving welfare from the public Treasury and say that they are terrible people, eh?

Mr. Chairman: Shall item 2 carry?

Mr. Wildman: No, Mr. Chairman. Are those Statistics Canada figures that you were quoting to us?

Hon. Mr. Meen: Yes, I am advised that the figures I have in that letter, which is an inter-office memorandum, are extracted from statistics Canada, Mr. Chairman.

Mr. Wildman: If that's the case then, does the provincial government not keep any records of their own regarding provincial corporation taxes which are deferred; is that correct?

Hon. Mr. Meen: Not on an overall basis, I am advised Mr. Chairman, but rather just on a sampling basis, which would therefore not be a total statistical basis.

Mr. Chairman: Shall item 2 carry?

Mr. Renwick: No.

Mr. Chairman: The hon. member for Riverdale.

Mr. Renwick: I will defer to anybody else who wants to speak on that.

Mr. Chairman: The hon. member for Timiskaming.

Mr. Bain: I have a quick question of the minister. Before I get to the question, I must

admit that I am rather amazed at how the revenue system operates in this province. I think if the average taxpayer had all the tax breaks corporations have, they too would be in a lot better financial position—just to get by these days, not to reinvest; the average person just wants to meet expenses. Would the minister be willing to table in the House all these companies in Ontario that have tax deferrals, and the amount of deferrals for each company? And when he expects to collect from each of those companies?

Hon. Mr. Meen: Mr. Chairman, in a way I think I might like to, because that would be an easy way in which to point out just what happens. But I regret to say that I can't; that's confidential information under the taxing statute, and there is no way in which I can divulge that information.

Mr. Bain: Then as a supplementary question to your answer, would you be willing to extend these kinds of incentives to others? If a person has a capital expenditure and invests in his family for their future well-being, are you going to extend to the average person the same gift, give-away, tax break—whatever you want to call it—that you have extended to companies like Inco? When are you going to have the same taxes for Inco as you have for the average person?

Hon. Mr. Meen: Mr. Chairman, if Ontario administered its own personal income tax, or we had our own personal income tax administered by my ministry, then I suppose the question would be a valid one. But in as much as we currently rent out the personal income tax field to the feds, and they in effect administer our tax by simply adding a 30.5 per cent to the tax collected by them, I think that kind of question is more appropriately directed to the federal authorities; because we have no say whatever over the personal allowances that are provided for under the federal government.

Mr. Bain: Assuming then, that you agree with the principle, that you are hamstrung by the federal government, are you going to present this case to the federal government and attempt to get them to change their taxation system, which you apparently admit is inequitable?

Hon. Mr. Meen: Mr. Chairman, I should remind the hon. member that if the individual is in business, he has the same kind of provision available to him as is available to corporations. Perhaps I should have made that clear; it doesn't just apply to corporations.

Mr. Bain: Just the average person.

Hon. Mr. Meen: Okay, but I am talking about provisions under the Act that are available to individuals in business in the same way as to corporation. It's not just available to "big corporations".

Mr. Bain: They are the ones who reap the benefit.

Mr. Chairman: The hon. member for Waterloo North.

Mr. Good: Mr. Chairman, I gather by the tone of the dialogue that the minister is referring to capital cost allowance as deferment of tax?

Hon. Mr. Meen: That's correct.

Mr. Good: I think it's incumbent upon him to point out to the members of the NDP that a capital cost allowance is recaptured on the disposal of the asset. I would suggest that the member for Riverdale, who is probably the best-versed person on this subject in the House, hold a seminar for you people who have never been in business, who don't know anything about running a business and the needs of business to meet payrolls and raise capital.

Mr. Wildman: We wouldn't know.

Mr. Good: Consult the member for Riverdale. If you are that dense about this whole subject, ask him.

Interjections.

Mr. Chairman: Order please, the hon. member for Riverdale.

Mr. Good: My, I have never heard such tripe in all my life. Holy smoke.

Mr. Chairman: Order, please. The member for Riverdale has the floor.

Mr. Renwick: I appreciate the compliment from the member for Waterloo North. I really do appreciate it; in fact I think perhaps he and I might hold a seminar right now.

Mr. Good: You know about twice as much about it as I do.

Mr. Renwick: There is one of those eternal principles that the closest thing to eternal life is a deferred tax for a corporation. It's never collected and the history of the taxation statutes shows that it is never collected. It's not a deferral; it is the immediate conferring of a

benefit on the corporations which is unjustified on any basis of social and economic policy.

The minister's answer is very clear, that he has nothing to do with tax policy, but then the Treasurer is never around to discuss tax policy under any situation except to say, "We'll talk about it in the budget." If you talk about it in the budget, nobody's here, nobody reads it, it's never heard.

I think what we've got to understand, and understand very clearly, is that embedded in the technicalities of the Corporations Tax Act are social and economic policies of the government, the successive governments of the Province of Ontario, with respect to the way in which they treat corporations. They're not accounting statutes; they're accounting statutes only on one basis, but the second and the fundamental principle is that they embed in them social and economic policies with which this party disagrees.

What my colleague, the member for Timiskaming, has said, and the comment by the member for Waterloo North is to say that there is no justifiable distinction, and never has been, as to why inert property owned by corporations is subject to depreciation but the individual person over his lifetime is not subject to depreciation allowance for tax purposes, and that's a capital cost of living. Let's not kid ourselves that somehow or other the Income Tax Act on its personal level is an equitable tax.

Mr. Ruston: Tell that to your own members. They are the ones who need the information.

Mr. Renwick: It's very simple. You know some day—

Mr. Good: I know how it works.

Mr. Renwick: I would think you would, considering the Act which was passed under the Ministry of Agriculture and Food yesterday.

I'm very interested. It opens up an immense field about equity and taxing structures and benefits which are conferred by Tory governments on corporations, and benefits which are not conferred on individuals in taxation systems which have grown up under the capitalist system. I don't want to get distracted by that, because I know we're engaged in a very technical ministry.

Mr. Lawlor: It's known as rugged free enterprise.

Mr. Chairman: Order, please.

Mr. Samis: It's worse than that.

Mr. Renwick: I just want to—

Mr. Lawlor: We make the distinction on our own. We don't need the government to—

Mr. Chairman: Order. The hon. member for Riverdale has the floor.

Mr. Renwick: I want to ask, under item 2 of vote 902, when you're talking about corporation tax and other taxes in this vote, and then later on in item 4, succession duty and other taxes, and in item 5, retail sales tax and other taxes, there are 12 taxing statutes that you administer, I want to know why it is that you don't administer the taxes imposed on the mining companies of the Province of Ontario. I think it's important for us to know why you do not administer that tax. We have said this I guess on—and perhaps when I was not here my colleague from Yorkview—

Mr. Young: I haven't raised it yet, but—

Mr. Renwick: I just want to say that if one reads about the attitude of successive Liberal and Tory governments in the Province of Ontario toward the taxation of the natural resource industries of the province, and the history of it is recorded—as a matter of fact there's a professor around who has written a book about the matter which I would commend to the ministry. We all think of it, of course, as history. It's not history, because it's exactly what continues to go on with respect to the taxation policies on natural resources in the Province of Ontario and those who exploit them, to whom the grants of the right to exploit have been made by this province. [9.00]

I want to know why it is that the ministry whose avowed aim is to promote the entrepreneur in the exploitation of the natural resource industries is the same ministry which is charged with the responsibility of determining the taxes which will be paid in all of the underlying substrata of calculations that have to be made in order to determine what the ultimate tax will be. It defies rational explanation to understand the basis on which any of those factors are calculated.

My question to the minister is, under corporations tax, where you refer to other taxes, why are you not taxing those corporations engaged in the exploitation of natural resources?

Hon. Mr. Meen: Mr. Chairman, the other taxes referred to when we talk about corporation taxes and other taxes we have capital taxes, the provincial land tax, Railway Fire Charge Act, premiums tax and so on.

Mr. Renwick: I am sorry, Mr. Minister, you are mumbling.

Hon. Mr. Meen: I am mumbling? I apologize for that. Let me try again. I am talking about the other taxes administered by—and I thought the member had asked this question—the provincial land tax, the Railway Fire Charge Act, the premiums tax—

Mr. Renwick: Just a moment, the provincial land tax—what is the other one?

Hon. Mr. Meen: Railway Fire Charge Act. The premiums tax, capital tax—

Mr. Renwick: What is the capital tax levied on?

Hon. Mr. Meen: Well, it is on the paid-up capital.

Mr. Renwick: Part of the corporation tax.

Hon. Mr. Meen: That is part of the corporation tax, yes.

Mr. Renwick: Apart from the corporations tax?

Hon. Mr. Meen: Yes, the other ones I gave the hon. member.

I think the main point in his question was the question he has asked on other occasions: Why doesn't the Ministry of Revenue administer the Mining Tax Act?

Mr. Lawlor: We have asked it for about 30 years.

Hon. Mr. Meen: I have heard it before. The reason which I think is the most cogent is that it is a completely different kind of tax, more akin to a royalty than akin to a corporations profit tax on corporations in other ends of economic activity.

I am advised it is calculated on the basis of the form of imputed profits, imputed pit-head value on the ore and imputed costs and notional market value therefor, for the ore, and a cost against that from which then is calculated an imputed profit. Generally it would require, as I am advised, a degree of expertise that just doesn't come in my ministry as a taxing ministry. It would require the kind of mining expertise that is found in the Ministry of Natural Resources.

It would appear to me, at any rate, to be appropriate that that Act should be administered by the Ministry of Natural Resources, a ministry with the expertise to understand what these people are talking about when they are talking in terms of these imputed values. There used to be, if memory serves

me, other factors involved such as proven reserve of ore, and certainly my people don't have the expertise to assess those values, the validity of claims of that sort and so I think it is appropriate that that Act should be administered within the Ministry of Natural Resources.

Mr. Renwick: Mr. Chairman, I would like you to understand that if occasion should require that we would form the government of the Province of Ontario, you can be certain that we would do what you should have done years ago, which is to transfer the mines assessment branch of the Ministry of Natural Resources into the Ministry of Revenue to separate those who assess the imputed value, because that is where the kick is in the mining tax, the imputed value.

I grant the expertise required. I doubt the integrity—not of the persons who do the assessment, but the integrity of a ministry which in its history has developed a most lenient view about imputing values at the surface to mine output for the purpose of calculating the tax. To use these figures as a percentage of profit or the percentage of any other criterion that one wants to use to determine what the people of the Province of Ontario get by way of returns through the tax system for the exploitation of their resources is one of the fundamental mistakes that this government has made.

The second point is, it is not a royalty. There is a royalty method of collecting taxes but each—

Hon. Mr. Meen: I said it was like a royalty.

Mr. Renwick: No, it is not like a royalty. You are using language totally opposite from what the Treasurer uses, because each time this question comes up they try to make the distinction, "We are not taxing on a royalty basis because we don't think that is fair. Look at British Columbia." That is what the argument is. "We eschew the royalty basis. We have a mining tax that will produce the revenue which is required."

I simply say to you that even under the taxation system which this government has decided upon for the resource mining industry, until such time as you get it out of the Ministry of Natural Resources and under the control of a person whose sole job it is to see that the taxing statutes produce the maximum revenue consistent with an equitable interpretation of the terms of those statutes, there is not going to be, even under your method of taxation, the kind of return we should be getting.

I can't say it any more distinctly in my way. Others of my caucus may be able to say that kind of thing but I can't say it any more clearly that you are making a fundamental mistake in not bringing it under the control of your ministry. When I am talking about you I am talking about your government because you don't have the authority to make transfers but you are a member of a government which can reallocate the responsibilities. Until that is done, even on your limited basis of what the social and economic return to the people of the Province of Ontario will be, it will be false.

It will be false because the history of the Ministry of Natural Resources and its predecessors, with respect to the exploitation of the resources of the province by entrepreneur companies in all cases, is a disaster for the people and has been for a long time. Repetition doesn't make it monotonous. Repetition is what is required for the purpose of making the government understand that even within the limited framework of its philosophy the least it could do is take the mines assessment branch out of the Ministry of Natural Resources, bring it under the Ministry of Revenue and have a tax collection system applicable to those corporations consistent even with the Tory philosophy about the limited return the people should get for the exploitation of those resources.

Hon. Mr. Meen: Mr. Chairman, I think the only further observation I might have on the point is that I really had not intended to suggest that the mining tax was equivalent to a royalty because, of course, the mineral resources are not owned by the Crown so it is not a question of its being a royalty per se.

I was suggesting it was rather akin to a royalty, though I can certainly see the clear distinction the hon. member for Riverdale draws in this instance. I don't disagree with that. It's rather akin to it in the sense there are the notional elements of profit only. There are not the true elements of profit in it. There are the notional elements of market value; again, not necessarily reflecting the true market value.

Consequently, there are a lot of elements in this thing which aren't related to a profit and loss picture upon which normal corporation tax would be based and, therefore, perhaps it is more related to the philosophy of the charge made on the basis of a royalty when property of the Crown is extracted or cut and timbered, in the case of lumber, for the gain of the company. There is a difference. It may be halfway between or somewhere in between those two extremes.

Mr. Lawlor: No reason why you can't handle it. It is impudent.

Hon. Mr. Meen: I hadn't intended to mean that it was actually a royalty or equivalent to it.

Mr. Lawlor: It is not concrete.

Mr. Renwick: You don't lightly provoke a minor comment on my part. First of all, I just want to clear the record. It's only been in very recent history that the Crown has reserved the mineral rights and grants which have been made and leased them; only in very recent history. The great bulk of the reserves of mineral resources in the Province of Ontario have been alienated by outright grants. I'm not suggesting that in the Crown lands of the Province of Ontario there may not be in the future substantial mineral deposits, but of the known mineral resources of the Province of Ontario only a very small part is owned by the Crown. The bulk of it was alienated years ago and is being exploited under the capitalist title of ownership when it should never have been alienated in the first place.

In the second place, this party, if it ever has the opportunity of becoming the government of Ontario, will take back the reserves in the ground from the mining companies and will negotiate the terms and conditions under which they will be brought to commercial production and the terms and conditions under which they will be sold in the market-places of the world. I trust you have understood that I have said it relatively carefully and clearly and unmistakably. It's almost like years ago when anybody on the other side wouldn't dream of even using the word socialism because it might have been anathema.

I want you to understand what we in this party are about. Do you know how far we are advanced in our social philosophy? We're so advanced in our social and economic philosophy in this party that the Globe and Mail agrees with us, which is giving us significant concern. We almost think we should reverse our position and become the private enterprise party.

Mr. Laughren: We are okay as long as the Sun doesn't agree with us.

Mr. Renwick: The Globe and Mail has very clearly said to the government of Canada, go to Venezuela and understand the way in which Venezuela deals with the oil reserves in Venezuela. The Arab countries and Venezuela, being members of the OPEC group, have already learned the lesson which

we haven't learned—that you say to the companies that have the technology to develop and bring into commercial production those reserves, be they oil or minerals of any kind: "Certainly we as a government don't have that technological expertise. You have it by virtue of the world in which we live. Your scientists have developed the expertise and you have the engineers who produce it. But we say we own the reserves and the terms and conditions under which you bring them to commercial production and the way in which we share the profit of the sale or the payments which are made to you for the process of bringing them to commercial production, whatever those arrangements may be are matters which are negotiable and are not yours of right."

I think we had better start to understand what you're going to have to come to if you continue to be the government but which we will institute if we are the government or had that opportunity, which may or may not come our way. That's not the problem. I want you to understand that, when it becomes known clearly across the Province of Ontario the extent of the ownership of the mineral resources of Ontario, which are equated with the petroleum reserves in Alberta or the oil reserves in the OPEC countries or any other of the major embedded resources that we all seek to exploit, when that time comes, we will reassert one way or another the ownership of those resources. We will negotiate the terms and conditions under which they will be exploited and the terms and conditions under which there will come back into the consolidated revenue fund of the Province of Ontario a proper proportion of the profit which is to be earned from that exploitation. There is an infinite number of ways of doing it. But I can assure you, whether you as Tories like it or not—and we know you don't like it—we as New Democrats like that system and adhere to it as part of our philosophy. You'll be forced into it and we will willingly accept it on behalf of the people of Ontario.

[9:15]

Mr. Samis: Mr. Chairman, could I just ask one question of the minister arising from comments made by my colleague from Riverdale? Can you give us any factual evidence from the fiscal year past or present to refute his statement that a corporate tax deferral is the closest thing to eternity? Can you give us any tangible evidence to disprove that?

Hon. Mr. Meen: How long is eternity and how does one measure eternity on the basis

of this fiscal year or the next fiscal year or the last fiscal year or whatever?

Mr. Renwick: It is certainly not an expectation.

Hon. Mr. Meen: It is not a thing one can put down in dollars and cents in any one fiscal year.

Mr. Samis: All I'm asking is if the minister can give us one concrete example of collection on a deferral.

Hon. Mr. Meen: I've already pointed out that I cannot, not because it's not available but because I cannot disclose it. That kind of information is confidential to the taxpayer, and I cannot talk about it.

Mr. Renwick: Give us the amount.

Mr. Laughren: If I might ask the minister, is he saying he can't reveal it; that it is confidential even in global terms? We're not selecting a company and saying this. We're asking, in global terms what kind of figures are we talking about?

Hon. Mr. Meen: I have no figures in global terms either.

Mr. Laughren: Are the global terms confidential? Do you regard them as secret as well?

Hon. Mr. Meen: No, they would not be confidential if I had them. I do not have them in global terms or any way.

Mr. Laughren: What is the expectation of this minister when he grants deferrals? What are the expectations? Does the minister want me to repeat it?

Hon. Mr. Meen: I don't know how one describes this except to say that you've got to recognize that these figures for deferral are wrapped up in all the other figures any particular corporation tax return has. They are not segregated out; they work as deferrals of tax; they work against that particular fiscal year. Another fiscal year will show up and there will be certain deferrals.

There is no aggregation of those particular deferrals. Some mature and some don't. The assets are sold, all of them are realized and the money is repayable. But it would not show up statistically because then that applies against the corporation income tax. There's no breakout of that figure with respect to deferrals.

Mr. Laughren: If I might apologize for my lack of knowledge in this whole area of taxation, I really do wonder what the purpose of the deferral is in terms of what the company is expected to do with that deferral.

Is there a reason for the deferral? Secondly, do you have any expectations of what would be done with that deferral?

Hon. Mr. Meen: I don't know what the hon. member means by what will be done with the deferral. If the time comes when the deferral matures for tax, then we would pursue it and collect it.

Mr. Laughren: You will pursue it and collect it.

Hon. Mr. Meen: Of course, when that deferral matures.

Mr. Laughren: Can you be more specific about the maturity?

Hon. Mr. Meen: I can't because I don't know the mechanics of the way in which each of these deferrals accrue. But if a deferral is accomplished, then over a period of years the deferral is written down and then perhaps the operation is wound up, whatever tax deferred is outstanding then becomes payable. If it is not paid along with any other corporation tax, then of course the liability would be pursued.

Mr. Laughren: You are saying that if the deferral winds down at the same time as the company winds up that it's co-terminus.

Mr. Mackenzie: I'd like to ask a question, if I can, of the minister. I listened with interest to the very clear position put by my colleague, the member for Riverdale, to the fact that this party would willingly reassert the ownership of the mineral resources in this province and his prediction that while we were doing it willingly, you would be forced into doing it. I think in the interests of the people of this province and plain good management, that's going to happen, and I just would be interested in your response to that comment of my colleague. Do you agree that you will be forced into it?

Hon. Mr. Meen: No. I could hardly agree to that, Mr. Chairman.

Ms. Bryden: Getting back to the deferred tax situation, I'm sure that the minister recognizes that the deferred tax increases the cash flow of a corporation. I think what we would like to know is, has he ever monitored what has happened to that extra cash flow? Has it just gone into the pockets, has it gone across

the border in payments to parent companies, or has it been invested in Ontario to create more jobs?

Secondly, if Statistics Canada can break out figures on tax deferrals for Canada as a whole, I don't quite see why the Ontario corporation tax administration cannot break out such figures in total, say, for each year over the last five years.

Hon. Mr. Meen: If I understand the member for Beaches-Woodbine, she's asking what happens to this money that is allowed on capital cost allowance, and so far as we're aware it goes off into bricks and mortar, into machinery and into expansion of the operation of the business.

Ms. Bryden: Do you have any monitoring of that? Do you have any surveys of the companies that have benefitted from it?

Hon. Mr. Meen: I understand the answer is no, Mr. Chairman, we don't.

Mr. Renwick: Well, the answer is no, you don't have any information.

Hon. Mr. Meen: The answer is, so far as I am aware, we do not have any direct monitoring of the extent to which the moneys claimed for CCA actually go into bricks, mortar, machinery and equipment.

Mr. Renwick: I think it would be wise for the minister to look at the elements that go to make up the balance of payments between Canada and other countries. I think it really would be worth your while to do so. We don't have trouble really on merchandise account, despite what the Treasurer (Mr. McKeough) and your government say about the productivity of our manufacturing industries. We don't really have any basic problems about the balance of trade on merchandise account or on other tangible products. We don't have very much trouble in our tourist account insofar as that is an element of the balance of trade. We certainly don't have any trouble on making up the deficit through the inflow of capital into this country to make up the so-called imbalance.

I'd like you to know that my information is correct and my reading of the information is correct. The outflow of funds which takes place in this country, which always has to be made up by the reassertion by Liberal and Tory governments of the need for capital to be invested, is to make up for the moneys which go out in cash, not by way of dividends, not by way of interest on capital, but by way of payments made under so-called

know-how agreements and other such agreements.

That's the area, if anybody wants to focus on the question of where we are having trouble in our balance of payments and where we have to listen to all this nonsense about productivity and about why it is we must have wage controls and we don't have any price controls and all of that kind of philosophy. Just analyse, as the Minister of Revenue, the component parts of the balance of trade deficit of the Province of Ontario abstracted from that of the federal government and our responsibility in it, and look at the dollars that flow out of this country under various disguises which I use in a colloquial term to be know-how agreements.

That's where it goes and until somebody looks at those agreements and asks "What do we get for what we pay out? When were those agreements entered into? What is the duration of them? How many times must we pay for the technology which comes into the country under those agreements? How long? Forever?" that's where the problem is.

I can't understand, under the Corporations Tax Act, and I never have understood in the administration of the corporations tax, why there isn't the most rigid scrutiny of the agreement made by companies who are paying corporation tax to the Province of Ontario under which payments are made that flow out of the country. It has nothing to do with capital. It has nothing to do with merchandising accounts. It has nothing to do with the insurance or tourist accounts. It doesn't have anything to do with those things.

It simply has to say, the subservience of the economy of the Province of Ontario to corporations outside the Province of Ontario is reflected in the one-sided, know-how agreements under which those cash flows take place. Taxation agreements between Canada and the United States, Canada and the UK, Canada and the Netherlands, Canada and this and that country, will show you we pay time and time again on a permanent basis for know-how which should be capitalized, and bought in a package if we want it, on a once-and-for-all basis or on an installment basis that at least has some ending to it.

Let me reiterate. Until we solve that key problem, we are never going to solve the subservience of the economy of the Province of Ontario. You don't have to talk, and we in this party don't talk, about buying back the control of those companies at all. No way. I don't care who owns Imperial Oil. It can be owned by anybody, because we can tax the outflow of money from this country

by way of dividends. We can tax the outflow from this country by way of taxes on interest paid on debt. We can calculate what it costs to deal with capital. We can provide everything. The one thing we cannot control are the agreements this ministry never looks at that are entered into between one company in Canada that happens to be owned abroad.

One of the greatest frauds perpetrated on the so-called economy of the Province of Ontario are these so-called joint venture agreements, know-how agreements, or whatever you want to call them. When we solve that problem we will have solved the question of the control of our own economy.

Don't ever let me hear somebody say, "Oh, we can't afford to buy back the control." We can buy it back, and we can buy it back very quickly, by preventing that kind of outflow of capital. The moment you do that, the moment you stop that cash flow—the drain that my colleague, the member for Beaches-Woodbine, is talking about—the moment you stop that which is almost like a haemorrhage on the economy of the Province of Ontario, the capital will be available in Canada for all kinds of purposes.

We, within the university framework, within the colleges framework, within the research framework of the government of the Province of Ontario, have all the brains and all the knowledge to do all those things. I say to you that we are allowing a haemorrhage on the economy of the Province of Ontario. You disguise it constantly on the basis of lack of productivity, or because we want higher wages for the people who operate the industries. If you stop that flow of money out of this country, we can pay the best wages in the world, we can have high productivity, we can compete in every market of the world with respect to the product we produce, whether they're natural resources products, metallic products, secondary industry products or any other product.

I would suggest to the minister that it is about time that this division between tax policy on the one hand and the collection of money through certain taxing statutes on the other hand be brought together to understand what it's all about. One of these days I am going to ask the minister to table in this House the number of dollars that flow out of this country and of the Province of Ontario specifically, not by way of dividends, not by way of interest, not by way of legitimate payments for purchase of goods imported into the country for the purpose of enhancing the productive capacity—none of those tangible things that you can put your finger on—

but how much money has been paid out and for how long under the so-called know-how agreement. That is the key to our solution—one of our solutions—with respect to corporations in the Province of Ontario.

Ms. Bryden: Mr. Chairman, the minister didn't respond to my question of why Ontario could not isolate these deferred tax payments the same way as—

Hon. Mr. Meen: Mr. Chairman, I had intended to respond to the member just to say to her that we don't really try to trace the actual dollars and where they go. We simply don't trace them through the company. We don't get into that degree of detail in the company records. So I can't tell the hon. member. I can respond in part by answering the member for Riverdale that the federal government imposes a 15 per cent tax on a non-arm's length know-how agreement—to use his expression; that's a good term—process licence agreements and that kind of thing between a parent company and its subsidiary. We maintain the same ratio as we do with respect to the federal corporation tax—their level of tax and our 12 per cent tax. With their 15 per cent tax on these agreements, we charge five per cent; a third again. So we have some revenue derived from these agreements.

But now coming back to the hon. member for Beaches-Woodbine. Through the corporate finance structure, we don't have a trace on the capital cost allowance and how it is applied.

Mr. Renwick: I don't want to prolong it; I really don't. But I want to say to the minister I fully understand that we impose the 15 per cent tax as if it were a dividend payment. All I am saying is that the number of dollars that constantly flow out of the country under these agreements is like paying time and time again for the same piece of furniture. It is as if you bought a chesterfield, an automobile or or an airplane and you paid and you paid and you paid and you paid. It's as if you were in the hands of a loan shark. You just could never satisfy the obligation under which you bought in the first place, and the way in which you had financed it. I think you have to understand—and I trust the minister does. I think the relatively subdued tones in which he responded to the question were not only because of his particular temperament, but because he knows that there was a significant element of reality in the remarks which I made about those know-how agreements.

Mr. Chairman: Shall item 2 carry?

Agreed.

Item 3, gasoline and tobacco tax. Any comments on this item?

Shall item 3 carry?

Agreed.

Item 4, succession duty and other taxes.

Mr. Good: Wait a minute—item 4, Mr. Chairman. I understand the land transfer tax is in that, and that would include the 20 per cent tax on foreign acquisitions.

Hon. Mr. Meen: Yes.

Mr. Good: Could the minister inform the House just what the division of that tax is as far as the budget is concerned? The land transfer tax is estimated at \$60,000. How much of that would be applied to transactions with foreign purchases? Could he give a résumé of the exemptions that have been granted this past year, how many there are, and in what amounts, and a brief résumé of how the exemptions are dealt with?

Hon. Mr. Meen: Yes, in the year just ended, 1975-1976, the non-resident tax amounted to \$2 million, the resident tax, \$53 million, for a total of \$55 million for 1975-1976.

The breakdown here for 1976-1977 is \$2 million for foreign non-resident, and \$56 million, for a total of \$58 million. That's our estimate for the year. I guess that's in the books.

Mr. Good: So it's obvious, Mr. Chairman, that the revenue from non-resident transactions is very small. What I am trying to get at is, is this because of the continual exemption of this type of transaction from the tax, or is this because you have effectively stopped the transfer of property to foreigners?

Hon. Mr. Meen: Mr. Chairman, it's a combination of the two. The hon. member will recall that we built into the Act in December, 1974, quite a number of exemptions, which now make the exemptions from the Act automatic in a number of cases, where a present business is expanding and so on.

Then there are a lot of deferrals, of course, if they undertake to become resident within a particular period of time; two years or whatever. Where they are going to build for resale within five years they would have a deferral, so these would not be cases of tax collected again. All of these are essentially automatic now. On the other hand, though,

we would expect that there will be some companies coming in and prepared to pay the tax, and that's why we are estimating about the same level as last year, therefore \$2 million. The Act appears to be discouraging non-resident acquisition of real estate where they do not fall within these criteria I have just outlined. If they are going to buy, develop and resell then they have a deferral of the liability for tax, so that revenue would not show up here in the year 1975 or 1976.

If there is an expansion by a company that was here on April 9, 1974, it likewise would gain an exemption where it's an expansion of its existing business.

So there have been two things that have happened: (a) we have expanded the area of exemptions, the virtually automatic areas I have just outlined; and (b) we have tended to discourage the acquisition by non-residents of land which does not fall within any of these categories. The information I have is that it appears to be going into some of the other jurisdictions in Canada on a speculative basis, and I say, well, God bless them, if they want to do that, that's fine by me. In effect then, we have the two fronts on which this Act seems to be working.

Mr. Good: Mr. Chairman, one further point on this. The reason I ask is that this particular tax has effectively stopped the purchase of multiple-unit highrise apartment buildings used for residential purposes in my own particular area of Kitchener-Waterloo. There was quite an expansion previously in the building of highrise units, and then foreign capital, mostly German capital, would come in, buy the unit, and they would retain it as an investment.

I feel that certainly the tax is justified to prevent the speculation on Ontario or Canadian property by foreigners. I personally, and this is a personal opinion, feel that we should maybe take another look at the foreign investment in residential buildings, mainly high-rise, by foreign capital where it is a legitimate investment. Many of these people are prepared to take a zero return for a good number of years and they were providing a service. We had a good vacancy rate in our area up until they stopped building apartments about two or three years ago, when this tax came in.

Just speaking for my own area, we now, of course, are in a much tighter apartment squeeze. I personally agree with stopping the speculation but when it comes to investment in residential property, you know they can't move the buildings out of the country as they can pack up a business and take the production out of the country, and that I

would be opposed to, but when it comes to investing in residential property, especially highrise apartments, I just wonder if we are not cutting off our nose to spite our face on that particular one issue. I wonder if the minister would like to comment on that.

Hon. Mr. Meen: I am pleased to comment on that. That's an area that my colleagues and I have been looking at very carefully over the last six months or so. Although we have not established any policy that would give automatic exemption in a case like that, a matter of two or three weeks ago I took to Cabinet a case of that sort. It was a company that was going to build some 530 apartment units on an ownership and rental basis and it was in an area in which we considered it highly desirable that apartment accommodation be got on with. We did indeed grant an exemption to that company—yes, on a specific case—and we will treat any cases like that on a case-by-case basis.

We do not undertake to approve all of them. We want to look at where they are proposing to build and look at the need for that kind of accommodation. We recognize the point the member makes, that you can't pick up the property and leave, but you are not there to speculate. You are going to develop it and build it and for that particular purpose.

So when one grants an exemption of that nature, we would do it and we did do it in this instance on the basis of its being for a particular case, a particular piece of property in a particular area and in a particular time when accommodation of that nature is needed there. We granted that exemption on that particular apartment. The apartment complex of 530 units is moving ahead as I understand it.

Mr. Good: Mr. Chairman, the way the case has been presented to me by people in my area who have done this and have built and sold to a German investment particularly, they tell me that the investors are looking at a very long-term proposition. The rent control on those apartments doesn't bother them one bit as it has bothered our Ontario builders, who have virtually stopped building apartments because of the rent control situation and the uncertainty of it. That foreign capital on residential highrise is willing to come in even under rental control conditions, but the 20 per cent has effectively stopped the building and sale to foreign investors in our particular area.

Mr. Gaunt: I have a very localized problem which I passed along to the minister this

afternoon with respect to the land transfer tax. I understand that there are exemptions under certain circumstances being given. I think the minister has indicated that. The circumstances which applied in the case of my constituent, as I understand it, were these: The person owned a part ownership in the residential property, the home, which was owned by his parents. It is now being altered in its ownership because the mother has passed on and the father is moving into a senior citizen apartment. So the house is going to alter in its ownership to that extent. The son maintained a part ownership, a joint ownership as I understand it, in the home and now he wants to purchase the other half ownership of the father, who is moving into a senior citizen apartment building. Is there any problem there?

Hon. Mr. Meen: I would think there would be if the son is, as I am told according to the letter the hon. member sent, a US citizen. It doesn't say he is a US resident. I take it, though, that the concern comes up because he is a US resident.

Mr. Gaunt: That's right. He is a US resident.

[9:45]

Hon. Mr. Meen: Yes, the Act would apply. As I would see it, he would be subject to an attraction of tax on some basis anyway. However, it's a little short notice for me to look into a particular case like that. They sent me the letter this afternoon. I have it in my file and will take a look at it and see if indeed the lawyer who wrote him is correct in his understanding of it. My bet is that he is correct, however.

Mr. Gaunt: Your instant reaction is that there would be no exemption under those circumstances?

Hon. Mr. Meen: That is one of the principles we were trying to address ourselves to when we were talking about the growing non-resident ownership of our land and that seems to me to fall into that category.

Mind you, there is no indication in this letter, as I saw it, that he intends to become a Canadian resident here, perhaps moving into that property of which he is already a joint owner and of which he would be buying the other half interest. If he were, then one could give him a deferral. We would give him a deferral for a period of years so that he would then become a resident of Ontario and, if he did meet those residency requirements, then the tax now deferred would be wiped out.

Mr. Gaunt: So if he indicates that to you, which he may very well do, since, after all, he was born and raised in this country and I think seven or eight years ago moved to the United States because he sought employment and got employment in the United States and has resided there ever since; in the event that he moves back here or is prepared to undertake to move back in the next few years, it could be deferred.

Hon. Mr. Meen: There are different provisions as to time, if it's a Canadian citizen who is undertaking to return. I think the maximum period of time we would give him to become a citizen would be two years. If he were a Canadian citizen we could give him five years under the Act and regulations as they stand, but it would be two years for an American citizen.

Mr. Gaunt: I think he is still a Canadian citizen and that he hasn't relinquished his Canadian citizenship.

Hon. Mr. Meen: That is why I am saying that. I have just pointed out that. I thought the hon. member talked about something like five years and I said, if he is a Canadian citizen, then a period of five years would be appropriate and could be provided as a deferral for that period of time. But, if he is not, and the letter from his lawyer would indicate that he is not, that he is an American citizen, then under the regulations he would have two years within which to cease to be a non-resident, which is the expression in the Act.

Mr. Chairman: Shall item 4 carry? Carried.

Any discussion on item 5? The hon. member for Riverdale.

Mr. Renwick: I really have only one comment on item 5 if I am on the right item, that is, retail sales tax. Do you keep any information of any kind which indicates the effectiveness of the statute to collect retail sales tax on tangible personal property brought into Ontario from outside the province? I know very well that if I go abroad I have obviously to make out a customs declaration when I come back about what I have purchased. There would seem to me to be two or three levels of it.

The first level is the returning Canadian tourist who has gone abroad and has bought a few things and brought them back. Despite the natural inclination of all of us in the atmosphere in which we have been brought up to try to beat the customs, nevertheless, you do have to complete a form. You do

have to pass through an inspection and you do have to make a declaration which is subject to checking and subject to severe penalty.

I have never felt either compulsion to pay or compunction about not paying or reporting to the Minister of Revenue to decide whether or not I should pay retail sales tax on what I bring into the country. Of course, I bring in very little that is taxable in any event. But there must be a wide vacuum, and I think one of the poorest things that a minister can have is the taxing statute which is wide open to abuse.

I also want to know what the monitoring system is with respect to all of the goods that come in on consignment, or in bond, into the Province of Ontario, to be released through customs. I want to know whether or not you collect sales tax with respect to those items, as well as how effective that is. There may be other areas also under which there's a vast loophole in the statute. I would like to have some comment about whether or not you're effective in making the Retail Sales Tax Act meaningful.

Hon. Mr. Meen: Mr. Chairman, there are two areas: We have an interprovincial agreement whereby the other provinces that collect retail sales tax will advise us. I would suppose Alberta, since they don't have a retail sales tax, would not have any undertaking to us to advise us of sales made there. In the other provinces in which there is a retail sales tax, we have an interprovincial agreement whereby they advise us where they have made a sale and on which provincial tax should be payable.

Mr. Renwick: I have never known a person to be advised in the Province of Ontario of taxes owing on something he bought in Alberta, British Columbia or New York state.

Hon. Mr. Meen: I understand that we get the information in from, say, Quebec, not infrequently, of purchases made in Quebec where no Quebec tax has been paid because it's been purchased in Montreal for delivery in Toronto for example.

Mr. Renwick: I mean if you put it in your car and bring it across the provincial border.

Hon. Mr. Meen: If you've taken delivery there, you will have paid the provincial tax in that jurisdiction. We wouldn't hear about that because they'll have paid it.

Mr. Renwick: It's still taxable.

Hon. Mr. Meen: In theory, yes, it's taxable here.

Interjection.

Hon. Mr. Meen: If it's a matter of registration, for example, we would catch them at that time—if it were a vehicle or anything else that had to be registered.

Mr. Renwick: I can understand that. I understand the Minister of Education (Mr. Wells) tried it once and got caught.

Hon. Mr. Wells: Which?

Mr. Renwick: He made a sotto voce remark there.

Hon. Mr. Wells: No. I did not try it. I would pay sales tax in any province.

Mr. Renwick: Did you try? You must have tried it and got caught.

Hon. Mr. Meen: I am advised that we have no agreement with the federal government for collection of retail sales tax at the border when articles are brought in from a foreign jurisdiction. There has been no real co-operation between them. We want to look into that.

As a matter of fact, I have a rather vague recollection that quite some years ago, back in the Sixties, I imported an article from Florida, and I paid Florida retail sales tax, customs, federal sales tax, and I am sure I was also charged the then three per cent provincial retail sales tax. Whether my recollection is faulty, or the arrangement has changed, the fact is I'm told we now have no arrangement. No tax is collected by the federal government for us, either at customs or otherwise.

We do have an arrangement with the federal government with respect to vessel registration and if there is a transfer of a boat from the member for Riverdale to the member for York East (Mr. Meen)—

Mr. Renwick: I understand that.

Hon. Mr. Meen: —if I decline to tell anybody about it, they'd ultimately find out about it anyway. I'd receive a polite little letter.

Mr. Renwick: I understand all of that where there is a registration system.

Hon. Mr. Meen: But that is—

Hon. Mr. Wells: Especially for golf clubs.

Hon. Mr. Meen: What about tennis shoes? In any event, that is as much as I am in a position to tell the members right now. Certainly, I think we should be pursuing this further with the federal government.

Mr. Renwick: Let me just pursue it briefly. It would seem to me that with co-operation between the federal and provincial government with respect to income tax forms and so on, there should be some method by which you could collect tax. When you take an airport such as the Malton international airport and the traffic in and out of that airport, much of which is returning traffic, surely it should be possible to devise a customs declaration form which includes a portion related to the payment of retail sales tax. There must be immense numbers of dollars lost over the years to the revenue of the Province of Ontario for that purpose.

What you can do about interprovincial traffic I am not so certain, because Canada has always been, in my judgment, at least, if nothing else a customs union, and it is somewhat difficult to impose a form filling out procedure for crossing the border between the provinces. We wouldn't want to be involved in that kind of an operation in any event.

I am certain that there must be some method, by either a programme of public education or not, or some other way of communicating with people whereby you can let people know that "Yes, if you buy something outside the Province of Ontario you are liable for retail sales tax in Ontario and liable to penalties if you do not pay that tax," whatever the penalties may be. I think it must be within the wit and wisdom of your ministry, responsible when you've got elaborate technical provisions providing for it, it must be your responsibility to devise a system which is not foolproof but at least is going to make the taxing net to some degree effective.

Hon. Mr. Meen: Mr. Chairman, I don't disagree with the member whatever. There are problems with respect to interprovincial freedom of movement, which I think we would all be loath to tamper with too much, but on the other hand it would be nice to have a little closer handle on purchases made in other provinces for ultimate use here in Ontario.

As for the federal government, I think it is worthwhile our pursuing it and I can tell you that I do intend to take that up with the Minister of Revenue and the people in-

volved with customs and excise, to see whether there wouldn't be something that we can work out to assist in the collection. We do have areas of co-operation and I would like to think that this is another one in which we could operate.

Mr. Spence: I would like to ask the minister a question in regard to item 5 vote 902, which amounts to over \$9 million. It says the retail sales tax and other taxes. Does this include land speculation taxes that have been collected across the province? And could the minister inform us how much money has been collected from the land speculation tax—maybe he could refresh my mind—with increased prices of land that are paid for going back into agriculture, if I remember it correctly? Am I off base, Mr. Minister?

Mr. Chairman: This should have been in item 4. The minister may answer briefly if he wishes.

Hon. Mr. Meen: I guess the hon. member wasn't here when his colleague from Waterloo North asked where these taxes fell. They were under succession duty, the previous vote.

If memory serves me, it was a couple of million dollars or so. Land speculation tax: \$0.3 million in the year 1974-1975; \$3.2 million in the current year for land speculation; and the figure we estimate for 1976-1977 is \$5 million.

Mr. Spence: So land is going up.

Mr. Wildman: I have a couple of questions on retail sales tax with regard to northern Ontario. As the minister is probably aware, recently the Minister of Transportation and Communications (Mr. Snow) tabled a report on the effects of freight rates in the north, and one of the conclusions in that report was that people living in northern Ontario have to pay twice, in that they have to pay sales tax on the inflated price of commodities or goods which are transported to the north because they have already had to pay the great amount of the cost to transport that freight, and then they pay sales tax calculated on the basis of the total cost including that freight rate.

[10:00]

The conclusion in that report was that this was—I am not sure of the exact words used, but inequitable was what they meant. Basically, however, they didn't think there was anything they could do about it. I am wondering why the government couldn't devise some method where people in northern On-

tario — areas north of the French River — shouldn't be able to have some sort of exemption, or a lower rate of sales tax, to compensate for the higher freight rates they have to pay on commodities imported from southern Ontario and other parts of the country. That's the first question; I have one other if the minister would permit another question later on.

Hon. Mr. Meen: Mr. Chairman, this question comes up all the time and there isn't any simple answer. There certainly isn't an answer, I suppose, that would satisfy the member for Algoma.

But in short the constitutional authority of the province is to levy a direct tax on the final price. If the final price reflects a freight charge, then obviously the tax on that final price reflects the freight charge plus markup, plus all the other things that enter into the cost of the article laid down at the site.

We would have to set up a completely different taxing structure—some for a particular geographic area—reflecting in this case something or other on account of freight costs. I have a notion that a better way is to adjust the freight rates to be somewhat more favourable to the north, rather than to try to deal with some commodities that travel as freight — whereas others are flown in, and others arrive by pipeline and so on. I just don't know of any simple answer to a very complicated question—indeed a question that is further complicated by the constitutional limitations imposed on a taxing authority at the provincial level.

Mr. Wildman: Surely since you recognize the constitutional problem, the provincial government has the responsibility to do something to alleviate the difficulties faced by northerners obtaining products that are cheaper in southern Ontario simply because distances are shorter? Even if you account for the distances, in some cases freight rates—according to that study and others—discriminate against the north even more than just the distance.

The other question I had for the minister is in regard to retail sales tax. Is it correct that native people throughout the province who have treaty status are exempt from the sales tax?

Hon. Mr. Meen: If they have treaty status and the goods are delivered on the reserve. The treaty status Indian can make a purchase off the reserve provided the merchant makes the delivery to the home of the treaty status Indian or on to the reserve. Then they are free of tax.

Mr. Wildman: In order to be able to prove status to be exempt, is it correct that your ministry has a form that the individual fills out on which he puts his band number and his treaty number?

Hon. Mr. Meen: Yes, he completes that form and leaves it with the merchant. The merchant then has that for audit purposes, so he can show why he did not collect seven per cent retail sales tax on the article that was sold to the treaty status Indian and delivered to him on the reserve.

Mr. Wildman: That would also apply to other taxes, such as gasoline taxes on the reserve?

Hon. Mr. Meen: Yes, except generally speaking the sale of gasoline would have to take place on the reserve.

Mr. Wildman: Why is it they have this form instead of just having the treaty native show his treaty card? Isn't it possible that a non-status person could obtain one of these forms and just fill it out and give it to the merchant and then be exempt?

Hon. Mr. Meen: I think you could imagine, Mr. Chairman, the problems we would have with auditing the accounts of merchants if they had nothing to substantiate the fact why they had not collected seven per cent tax. They'd be in a terrible mess trying to confirm to us—99 per cent of them are honest but what about the one who isn't?—so we have to give them some kind of protection. So they have the form which they get completed and they have that there to send up along with the invoice to confirm the reason for the reduction in the amount of money collected.

Mr. Wildman: If you would permit one more question. Is it required that the status Indian provide his treaty card at the time he is filling out that form for the merchant?

Hon. Mr. Meen: I'm advised that that is not a requirement for sales tax. I would suppose if he is known to the merchant that the simple completion of the form by the status Indian would be adequate.

Mr. Wildman: That does make it possible for a non-status Indian person, if he so wished, to obtain the form, fill it out, put a fictitious number on the form, and thus be exempt.

Hon. Mr. Meen: Yes, I suppose anything like that is possible.

Mr. Good: A short question, Mr. Chairman. Does the \$9.3 million reflect the amount paid to merchants for collecting sales tax? Is that amount deducted before they remit and do you have an amount which would show the total paid for collection?

Hon. Mr. Meen: The figure the hon. member is referring to is the estimate of cost for operating the branch. I think it is \$9,326,300. Is that the figure you are asking?

Mr. Good: Yes.

Hon. Mr. Meen: That's the cost of operation of the branch.

Mr. Good: Not payment made for collection by the merchant?

Hon. Mr. Meen: Oh, no, as a matter of fact, agents' commissions for a total year is somewhere in the order of \$11 million or \$12 million.

Mr. Chairman: Shall item 5 carry? Carried. Vote 902 agreed to.

On vote 903:

Mr. Young: The item on salaries and wages, \$1.3 million, is fairly sizeable. I suppose it takes a large number of people to administer this sort of a programme. I wonder if the minister would tell us how many employees are involved in this salary and wage item?

Hon. Mr. Meen: I am advised that there are 94, Mr. Chairman.

Mr. Young: Ninety-four. Could the minister tell us how many of those are public relations people?

Hon. Mr. Meen: I will have it for you in a minute, Mr. Chairman. I don't have it immediately at hand.

That may take me a minute or so; has the hon. member other questions?

Mr. Young: Well, all right, one further matter.

Hon. Mr. Meen: The note says four.

Mr. Young: Four; just four. What function do they serve? This is a public relations group, apart from the regular public relations staff of the department itself, is it?

Hon. Mr. Meen: Mr. Chairman, one of them, in fact maybe three of the four, are fluently bilingual. They visit radio stations around the country, they do hot-line shows;

they are into all kinds of activities of this sort—out to old folks' homes, to senior citizens' homes, getting around to tell them about the tax credit programme and the GAINS programme.

This is what I was referring to earlier, when I was talking about the reduction in the cost of some of our promotional work. This is the area of activity we have been concentrating on instead.

Mr. Young: One further question in this field. Last fall there was a magazine—

Hon. Mr. Meen: I am sorry, would you repeat it?

Mr. Young: There was a magazine geared to senior citizens. I don't know whether that's still being put out. Could the minister tell us whether this is put out by his department, or is there another department which handles this magazine?

Hon. Mr. Meen: I am told that it is not published by us. They did give the ministry, and the GAINS programme, quite a big spread recently, but it's another department. Senior advisory council, I am told.

Mr. Young: I see.

Mr. Good: One question. The tax credit programme, such as property tax credit, sales tax credit and the pensioners' tax credit, even though one does not have a taxable income, he or she can apply for the tax credit and get it. Do you foresee that privilege being granted under the election expenses tax credit where one can apply for the credit even though he or she does not have a taxable income?

Hon. Mr. Meen: I think the short answer, Mr. Chairman, is no, I don't.

Mr. Young: Have you ever discussed it, or thought of it?

Hon. Mr. Meen: Oh yes, this was discussed at some length when we brought in the programme last year. It was determined that it should not work on that basis. It was decided it should be deductible from income tax payable, not from the credit.

Mr. Germa: Mr. Chairman, I am interested in the first time home buyers grant. Could I ask how much money is in this item for the first time home buyers grant?

Hon. Mr. Meen: There is nothing in this item, Mr. Chairman, for the current year. My advisers tell me that there is nothing in my estimates. The amount for that would be under the Housing estimates. That's why my

first reaction was that there was nothing. There is nothing in my estimates. We have it covered only for the administration costs of the plan for this year.

Perhaps the hon. member would like to know what the administration costs are—no, I am sorry, I don't have that information. I will get it.

Mr. Germa: I don't understand it. You people do the administration but the funding is coming from the Ministry of Housing?

Hon. Mr. Meen: That is correct. That's where the original funds came from last year too.

Mr. Germa: As the administrator of the plan, don't you have the figures? How can you administer if you don't know what kind of dollars you are dealing with?

An hon. member: Easy come, easy go.

Hon. Mr. Meen: Mr. Chairman, we know the costs of administration. My people advise me that there will be a \$567,000 chargeback expected to be recovered from Housing on this in the next year, but the fact of the matter is we are administering this on behalf of the Ministry of Housing and they have their estimates there for the amount of the payout. We have around 90,000 applications, and all of those won't be approved I suppose, but something of that sort, and that would mean \$90 million on the basis of the grants for the first year. A quarter of that—

Mr. Good: That's \$23 million.

Hon. Mr. Meen: About \$22.5 million.

Mr. Good: Say \$23 million.

Hon. Mr. Meen: All right, \$23 million in the Ministry of Housing then, one quarter of that is their estimate for the cost. Perhaps the hon. member for Waterloo North, who has that estimate in front of him for the Ministry of Housing, can tell me, does that include the \$567,000 charged back for administration, or is that shown separately?

Mr. Good: Administration is \$567,000 and the grant fund is \$23 million.

Hon. Mr. Meen: Exactly, so it's \$23,567,000 total estimated cost for payout and for administration costs—our part of it, the administration, being the \$567,000.

Mr. B. Newman: Mr. Chairman, I wanted to ask of the minister if the tables are available to members and also to their constituency offices, so that when requests come into the offices considering eligibility for GAINS

the individual could figure out the amount of GAINS he would be entitled to?

Hon. Mr. Meen: I can tell the hon. member, Mr. Chairman. I would be delighted to see that he gets all the copies he needs. I have them in my constituency office, and I am sure that whatever number he would like we would be pleased to get to him.

Mr. B. Newman: Will the minister make a note of it, or his officials, and send copies to my office?

Hon. Mr. Meen: I expect the note has already been made.

Mr. B. Newman: Right. Thank you, sir.

Mr. Edighoffer: I am just not sure if I understood the minister correctly on that chargeback of \$567,000. I think I understood him to say that was from the Ministry of Housing for administration?

Hon. Mr. Meen: To the Ministry of Housing.

Mr. Good: From Housing to Revenue.

Mr. Edighoffer: I thought you said that was recovered from another ministry?

Hon. Mr. Meen: We will recover that from Housing, but we will be charging that to Housing for our costs of administering the home buyer grants over the next 12 months.

Mr. Edighoffer: Yes, okay. I understand that, okay. Last year I noticed it was \$500,000, and I presume that was for the same administration, but this year there will just be cheques for \$250 going out to the home buyers. How come that large amount?
[10:15]

Hon. Mr. Meen: Mr. Chairman, it's still necessary to verify that they are resident in the dwelling unit. You still have to process these through the machinery. There's an ongoing audit—and that's probably the more expensive part of it—a post-audit of a number of the applications and prosecutions and all the costs involved with the post-audits and so on over the next year.

It doesn't surprise me that it would be that sum. Remember, we're talking about 90,000 cases; a caseload of 90,000 which has to be monitored. Every one of those files has to be opened and dealt with over this next year to determine whether the person is still in residence or not. If he is, he receives his further cheque for \$250. If he's not, the file is closed. The odds are that there will be

some activity on every one of those files. It doesn't surprise me, therefore, that it's a few dollars per file. That's about \$5 or \$6 for each file and I don't think that's too much.

Mr. Grande: Mr. Chairman, I would like to ask the minister if he has allowed Bill 47, An Act to amend the Ontario Guaranteed Annual Income Act, 1974, to die on the order paper after second reading, or not?

Hon. Mr. Meen: In short, no.

Mr. Grande: A further question. Has this government or its ministry attempted to make any changes in regard to clause 2, specifically sections 3 (a) and (b)? Are you thinking of making any changes in that clause?

Hon. Mr. Meen: Is that the federal residency section the hon. member's referring to?

Mr. Grande: That is correct.

Hon. Mr. Meen: I think any discussion of that sort would be far more appropriate when we get around to discussing this bill in committee.

Mr. Chairman: That's right. You can't discuss anything that's before the House at the present time. It will be dealt with in committee of the whole House.

Mr. Ruston: Mr. Chairman, as far as the home buyers grant is concerned, I'm sorry if I missed anything, but how many do you have that are still outstanding, as far as the applications on file are concerned? This would be back in December, of course. What I'm wondering is when you were processing them last year—just as an aside, I'm sure it has nothing to do with anything, I understand that the applications were processed in two to three weeks last summer. I don't know why it would be that they went so fast and I found that they kind of slowed up after Oct. 1. I don't know whether we can assume anything from that or not.

Mr. Edighoffer: Election?

Mr. Ruston: Anyway, it's beside the point now; it's passed. I'm wondering how many you have still outstanding and when do you expect that most of them will be finalized? How often are you running them through the paying process now compared to last summer and fall? Do you process them through the pay machine once every week or once every two weeks?

Hon. Mr. Meen: I really don't know what the hon. member means.

Mr. Ruston: You must run them through the computer to make the payout. Are you running them through once a month or as they're approved? Last year you'd be running them through maybe twice a week.

Hon. Mr. Meen: I would say as quickly as we confirm their qualifications. At the present time, as of March 26, there were 4,864 applications on file which had not been approved and had not been finally rejected.

Mr. Good: Why is that?

Hon. Mr. Meen: There are 4,728 out of 4,864 which are awaiting documents, clarification of original information and so on. Quite a number of people have filed their papers but haven't sent in their duplicate deed with particulars of registration or haven't sent in other material necessary for us to be able to confirm their qualifications for the grant. Remember, they have until the end of June to file their documents, their application, when they bought and took up residency before Dec. 31. In fact, even if they didn't take up residency, if they purchased and were entitled to occupation, I guess we gave them six months on that too. They have until the end of June to take up occupation. They can't file until they have taken up their residence.

Some of these are still just just filtering in now relating to a somewhat later time when they can actually file their application. That therefore leaves only 136 in some form of limbo. I can tell you, Mr. Chairman, that there are some difficulties surrounding some of these and we are still looking at them to determine whether we can approve any of those.

Mr. Ruston: Are you saying that as they are approved, the paying process is not necessarily done only on a monthly basis now? Or is it done whenever there are so many in?

Hon. Mr. Meen: I am advised that the cheques are issued weekly. They may be batched but they are batched in no larger amounts than weekly.

Ms. Bryden: I just wanted to know if the minister could give us the figures on the amount in total of each of the tax credits that were given out last year—the property tax credit, the pensioner tax credit and the retail sales tax credit.

Hon. Mr. Meen: They are not broken down. So far as I am aware, we would have no breakdown. Remember, this is adminis-

tered by the federal government for us. But I don't imagine that I can give it to you. The material I have at hand does not give any breakdown, as I had rather expected it wouldn't. I can only tell you that we budgeted \$415 million for 1975. As of March 26 we had paid out \$67 million with the number of tax filers at 4,800,000. We paid out \$382,600,000, a year ago and we certainly would expect to exceed that this year.

But I don't believe I can give you any breakdown of the amount because you take these various credits—the \$110 pensioner tax credit, the property tax credit or the rental credit, however that works out—and the amount of your personal deductions times one per cent or the amount of your retail sales tax; add it all up, deduct two per cent of your net taxable income, and that is the amount of your OTC. That is the figure that gets paid out or credited, as the case may be, and I wouldn't have the information that would be taken off in any meaningful way.

Ms. Bryden: Is the minister saying that from Ottawa or from any source we do not get any breakdown of how much we are paying out for these various credits except the total? Therefore, we don't really know how much we are benefiting people.

Hon. Mr. Meen: There are certain—I was going to say guesstimates but I don't like to put it in that facetious way—Treasury and Economics does certain analyses along this line. They can determine the number of tax filers in certain categories that would therefore have a certain personal deduction and from that they can calculate the amount that would be retail sales tax oriented. They know the number of pensioners, so they would be able to determine the number of pensioner claims of \$110 that would be added in to their tax credits. But I regret to say that I simply don't have that information through my ministry and I have no direct way in which to get it.

Ms. Bryden: Do you get any figures from Ottawa relating, say, property tax credits to income classes so that we have some idea what income groups are benefiting from, let's say, each of these credits or even from the total?

Hon. Mr. Meen: I am told that we can get that. We don't have it. We have never asked for it. At least, I don't believe we have ever asked for it. It would be available and we could get it.

Ms. Bryden: But you do not have it at the moment?

Hon. Mr. Meen: No, I do not have it.

Ms. Bryden: I wonder how the provincial Treasurer (Mr. McKeough) in his slide show on his restraint programme is able to produce figures showing the Ontario property tax credits in 1975 given to different income groups, especially since the 1975 tax returns are not yet completed. But even if he was using a forecast from 1974, he must have had some figures.

Hon. Mr. Meen: I have just finished saying I don't have it here. It may well be that my colleague, the Treasurer, has the information. I don't have it here. I have said that we could get it. The hon. member for Beaches-Woodbine obviously doesn't need it; she has already got it.

Ms. Bryden: I don't really believe it, that's why I wondered whether your ministry had supplied the figures because they really are rather unbelievable, these figures of the incidence of the property tax on individuals by income.

Mr. Chairman: The hon. member for Windsor-Walkerville.

Mr. B. Newman: Mr. Chairman, I wanted to ask the minister if the first-time home buyer grant affected many mobile home buyers?

Hon. Mr. Meen: I am told that there were 1,200 mobile home claims approved under the programme, Mr. Chairman.

Mr. B. Newman: How many was it, Mr. Minister?

Hon. Mr. Meen: It was 1,200.

Mr. B. Newman: How many were refused as a result of lack of CSA ratings? Because you're aware, Mr. Minister, that many of your advertisements simply mentioned CSA rating but did not mention Z240, and a lot of people bought mobile homes in good faith, noticing it was a CSA-rated unit, but when they applied for the grant were denied the grant?

Hon. Mr. Meen: Mr. Chairman, that's a hard question to answer. I don't have the answer. Perhaps the staff can advise me. Yes, I have it now. There were 400 apparently, in round figures anyway, 400 rejected on the basis that they did not qualify. And, of course, that would not take into account people who, recognizing that they didn't qualify, would not have made an application. That's 400 who thought for one

reason or another, whether they made the mistake the hon. member for Windsor-Walkerville—

Mr. B. Newman: Right. Dead on.

Hon. Mr. Meen: He refers to their having made an error in noting CSA but not the Z240 designation. There may be many others. I simply don't know who purchased but recognized that they didn't qualify and so didn't apply. But in any event, there were 400 in the category to which he refers.

Mr. B. Newman: Well, was not the error an error on the part of your department or the advertising on the part of your department? Because I know the two constituents who complained to me were very bitter from the fact that it was CSA-rated but the CSA rating referred solely to the electrical work on the mobile unit. There wasn't a Z240 rating.

Hon. Mr. Meen: Certainly, there were some who didn't go far enough as to read the booklets that were published that made it very clear that it was a Z240 designation. I suspect there may have been some who were misled by other areas than the advertising, and I think it behooved everyone to make sure that he had the bulletin and to see whether he did in fact qualify. It's regrettable, and certainly I have sympathy for those who may have been misled, perhaps deliberately in some instances, into thinking that their purchase would qualify, but really the Act was very clear and it's just too bad that those people did not establish accurately that their purchase met the Z240 requirement.

Mr. B. Newman: Did the advertising make mention of Z240 as being one of the requirements before the mobile unit would qualify for the grant? Because I understand it did not.

Mr. Chairman: Will there be any further comment on vote 903?

Mr. B. Newman: Take your hand off the mike.

Hon. Mr. Meen: I was going to try to answer the hon. member, Mr. Chairman, then I thought I would move that the committee rise and report.

Hon. Mr. Meen moved the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report progress and asks for leave to sit again.

Report agreed to.

Hon. Mr. Meen: Mr. Speaker, before moving the adjournment of the House, I would advise that tomorrow after the orders of the day we will take order 2, resuming the adjourned debate on the budget amendment.

Mr. Young: Could I ask the minister, Mr. Speaker, will these estimates come up again on Monday?

Hon. Mr. Meen: That is my understanding, Mr. Speaker, that on Monday we will return to these estimates.

Hon. Mr. Meen moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

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Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 23, 1976

The House met at 10 a.m.

Prayers.

Mr. Speaker: Statements by the ministry.

Oral questions.

Mr. Sweeney: Question who?

Mr. Reid: Who is running the store over there this morning?

Mr. Sweeney: Try the backbenchers.

Mr. Lewis: I am just stalling, Mr. Speaker.

Hon. Mr. Handleman: You have no questions; we have no answers. Why don't we just dispense?

Mr. Lewis: I saw the Minister of Natural Resources approaching. Is he anywhere in the chamber?

An hon. member: He's skulking.

Mr. Renwick: He probably saw you coming.

Mr. Lewis: Just give me 30 seconds, Mr. Speaker, while I look through the questions I have to see—

Mr. Bain: To see who is here.

Mr. Speaker: Order, please.

REED PAPER AGREEMENT

Mr. Lewis: I would like to ask a question of the Minister of Natural Resources, who is moving into the chamber. I will ask the minister, as he approaches his seat, can he report to the House the state of negotiations with the Reed paper company for the 18,000-square-mile tract of land which has been much discussed over the last few months in northwestern Ontario.

Hon. Mr. Bernier: As the Leader of the Opposition is aware, this was following a statement the Premier (Mr. Davis) made in the Legislature that we would look at this possibility. We entered into discussions with the Reed paper company, I would say about a year ago, on an agreement, an agreement which would set aside about 18,000 square

miles of virgin timberland north of the Red Lake area, from Pickle Lake to Red Lake. That agreement, in essence, just gives the Reed paper company the right, when it is signed, and it has not been signed as yet, to do any inventory and further feasibility studies.

The agreement has not been signed yet. We have been meeting with the company on a very regular basis and have been in discussion with Treaty No. 9 also. They have been informed as to the direction we're going.

I don't know when we will finalize all the details of the agreement, but I am hopeful it will be soon in order that the public hearing may commence because we have insisted that, once the agreement is in place, the Reed paper company go to northwest Ontario and reveal to the public and to the native peoples in particular just what their plans are. That's the status at the present time.

Mr. Lewis: By way of supplementary, and I'm exploring; given the notorious behaviour of the Reed paper company in northwestern Ontario up until now in areas that we need not go over again in the House, why would the government enter into a signed agreement before the Environmental Protection Act regulations are tabled in the House and before all of the interested sections of the community, including Treaty No. 9, understand and are privy to what the government has in mind in advance of the actual signing of the agreement? Why would the government surrender so much before everyone has protection?

Hon. Mr. Bernier: It is not a surrendering of any right per se. The agreement we will sign will not give the Reed paper company the right to cut one stick. It will only set aside an area that they can look at and examine as to the feasibility of that area supporting a mill of a size they are contemplating. So I see nothing wrong with moving in that particular direction.

We don't even know if it is going to be a go or a no-go situation yet. The agreement as I said, has not been signed as yet.

Mr. Reid: Do I understand that this is just an agreement to allow them to study the situation?

Hon. Mr. Bernier: Yes.

Mr. Reid: This is a new wrinkle. May I ask them what is the position of other companies in northwestern Ontario; particularly, for instance, the Ontario-Minnesota Pulp and Paper Co. Ltd. if they wanted to expand their Kenora or Fort Frances operation? Are they going to be allowed to get in on some of this action or is this 18,000 square miles in fact not blocked off for Reed and nobody else can touch it?

Hon. Mr. Bernier: That in essence is the thrust of the agreement, to set aside an area that can be studied and can be looked at, because it is obvious if the Reed paper company are going to invest something like \$400 million, they want to be assured that in the course of their studies, nobody within government, my own ministry, may be chipping away at the 18,000 square miles and reducing the timber area that would be supportive of that particular plant.

The Ontario-Minnesota Pulp and Paper Co. Ltd. have been in to see us with regard to the possibility of their expansion at the Kenora and at the Fort Frances plant. I had to tell them that until these studies are completed by the Reed paper company the bulk of that area is being taken up and that we have to respond to the economic needs of the communities of Ear Falls and Red Lake. As the member knows, that is a gold mining community. Just last week Madsen Red Lake mines announced it's closing. The mine has been in operation since 1938 and produced about \$90 million worth of gold bullion, employing 180 people. They have closed down. The Cochenour Willans mine has closed down. It leaves us two operating mines in the Red Lake area, Dickinson and Campbell Red Lake, and the Griffith mine near Ear Falls.

So there really is a need to utilize the forest resources in that particular area and provide an economic base for those two communities; and this has been taken into consideration also.

Mr. Stokes: Supplementary: To what extent is the ministry going to become involved, given the idea that it takes anywhere from 150 to 200 years in many areas of that 18,000-mile tract to grow a tree? How is the minister going to make a determination unless his experts go in there and see whether it is viable to cut one stick out of there without

determining whether or not the present regeneration practices will work in a fragile eco-system with a high water table?

Hon. Mr. Bernier: That is correct to a point, Mr. Speaker. We are very much aware of the slow growth that occurs in that particular area. Much of the forest is of an over-mature nature as regards age. Some of the trees are from 100 to 125 years of age; very low in height, stunted you might say. The diameter is not the normal size you would see in the southern parts of the province. That is why 18,000 square miles has been set aside. It is the last remaining area in this province we think would support a pulp mill and certainly—and I assure the House and the people of this province—the cutting practices or the silviculture programme will be very carefully scrutinized by the experts in my ministry. We will not allow—as some of the native peoples have indicated—a complete, clear-cutting programme. We are going into this very carefully to make sure that operation will be on a sustained-yield basis.

Mr. Reid: Supplementary.

Mr. Speaker: A final supplementary, the member for Rainy River.

Mr. Reid: Has the government, or has the minister, asked the Reed paper company to post a bond or any other guarantee of good faith and so that the government and others will be recompensed for tying up these 18,000 square miles?

Hon. Mr. Bernier: Yes, Mr. Speaker, you will recall when the Premier did make the statement in the Legislature about this two years ago, he indicated that the Reed paper company would put up a \$500,000 bond when an agreement was signed.

Mr. Reid: That is not very much for 18,000 square miles.

Hon. Mr. Bernier: I have to say it's the largest bond that we have ever asked for. A pulpwood firm at Atikokan in the member's own riding put up a \$200,000 bond; I believe Kimberly-Clark, in the riding of the hon. member from Lake Nipigon (Mr. Stokes), put up \$250,000.

Mr. Lewis: There is something very suspect about this whole operation. The public is going to want to know about it.

Hon. Mr. Bernier: I can't understand why. We are open about it. It's there. And the agreements will be tabled.

Mr. Renwick: You have given Reed the first refusal on that property, and you know it.

Mr. Speaker: Order, please. The Leader of the Opposition.

DISMISSAL OF DR. LAKNER

Mr. Lewis: A question of the acting Minister of Health, if I may. If the Ombudsman were called in to investigate the circumstances surrounding the dismissal or resignation or termination, or however it is described, of Dr. George Lakner, the gentleman who drew up the General Motors' report within the occupational health branch, does she feel confident, as the acting Minister of Health, from what she has seen, that the Ministry of Health can defend its behaviour in regard to this senior civil servant?

Hon. B. Stephenson: Mr. Speaker, yes.

Mr. Lewis: By way of supplementary: Can the minister explain to me how it is possible on Nov. 14, 1975, for Dr. Stopps to write to Dr. Tidey in this way about Dr. Lakner:

Has tackled his work assignments with enthusiasm and understanding. Dr. Lakner has a good knowledge of his subject and can obtain information quickly from available sources. Dr. Lakner is an asset to the staff and his personality makes for a pleasant working environment.

And then in March, without any change in work except for the one General Motors' report, this man is effectively dismissed. How does she explain the inconsistent behaviour of the minister?

Hon. B. Stephenson: Mr. Speaker, the work done by a member of the staff is assessed not simply by one other member of the staff, but by a variety of people with whom he works. The consensus did not agree with the report which Dr. Stopps had issued early in November by the time the next assessment was made in early 1976.

Mr. Speaker: Further questions?

Mr. Lewis: No further questions on that, Mr. Speaker.

[10:15]

PRIVATE LABORATORIES

Mr. Lewis: A further question of the acting Minister of Health: Now that she has brought in the conflict-of-interest regulations on private labs, effectively locking the door after

the test tubes are gone, can she indicate what alterations will be made in the fee schedule paid to private labs in order to rescue the public from additional illegitimate expenditures?

Hon. B. Stephenson: Mr. Speaker, the legislation regarding private laboratories, I might tell the House, was put into the process of drafting in late 1975—long before there was any announcement of any activity from the members of the opposition. In fact, the legislation has been refined, and I have quite clearly, I think, announced to this House and outside of the House that there will be a form of requisition for laboratory services; that the activities of the College of Physicians and Surgeons and of the Ministry of Health will change the situation in terms of possible conflict of interest of physicians with laboratories; and that this will almost undoubtedly resolve almost all of the difficulties which have been identified by the Ministry of Health related to the private laboratory system.

We have stated very clearly and very categorically that the laboratory committees throughout this province will be examining the scope and capacity of all of the hospital laboratories in the province with a view to increasing the work load distributed or directed towards those laboratories and will be reducing the numbers of tests which can be done by certain private laboratories in certain areas.

Mr. Lewis: Supplementary, if I may: Is the minister prepared to cut the percentage paid through OHIP to the private labs to a level of 60 per cent of the fee schedule in order to save the province something in the vicinity of \$20 million to \$25 million, so that we can somehow recapture the outrageous amounts of money that have been paid, obviously without justification?

Hon. B. Stephenson: Mr. Speaker, the mechanisms which we are using will most certainly reduce the cost of laboratory service within this province. It would be extremely difficult to single out one laboratory in one area and another laboratory in another area. There are mechanisms, already established, which we will be using and which will, in effect, reduce to a minimum the cost of providing laboratory services.

I would remind the hon. Leader of the Opposition that the services must be provided when they are requisitioned by physicians; and, unfortunately, that is one of the major problems which we have to tackle. We are also attempting to tackle that one.

Mr. S. Smith: Supplementary: Is the minister now willing to table the reports that I asked for some weeks and months ago, which warned the ministry at least four years ago that the present system was open to abuse and recommended that such things as tenders should be asked in each region so that instead of paying the present OHIP rate, which pays for the least productive and least efficient producer, a rate could be established in each region which would be much closer to a fair rate? The minister has those reports; will she not table them?

Hon. B. Stephenson: Mr. Speaker, the activity of the laboratory committees, which will be advising the ministry regarding the scope and capacity of hospital laboratories, will in fact resolve the problem which my hon. colleague raises. If there is a possibility that there was any document of that sort in the past—and he has suggested it was four years ago—I shall explore to see if I can find it. The hon. member did not make that request of me, and I did not know that the request had been made.

SCIENTOLOGY AND MENTAL HEALTH

Mr. Lewis: A further question of the acting Minister of Health: Did she see the press release that was issued by the Church of Scientology following our brief exchange in the Legislature? No? Could I therefore send it over to her and ask her to look at its really offensive and quite objectionable contents in terms of the description of psychiatric care in Ontario, and encourage her, on the basis of this, to take a look at these people, some of whom are obviously in need of considerable help themselves?

Hon. B. Stephenson: Mr. Speaker, I would be very grateful if the hon. Leader of the Opposition would give me that piece of information, because this is one of the rare occasions upon which I find myself in almost complete agreement with him.

Mr. Reid: I've had some calls in the last few days from people concerned about their children, their brothers or sisters, who are involved in Scientology. A couple of years ago I asked the then Minister of Consumer and Commercial Relations if they, in fact, had looked at the Church of Scientology; and there was a study done at that time or previous to that. Is the minister aware of that? Does she know of that report? There was some investigation done a couple of years ago within Consumer and Commercial Relations, I believe. She doesn't know about it?

Hon. B. Stephenson: No. The only investigation that I know of was that which was carried out by the special Committee on the Healing Arts, which was done in 1967-1968.

UNITED ASBESTOS PLANT

Mr. Lewis: A question of the Minister of Natural Resources: Do I gather rightly that the Unemployment Insurance Commission was unwilling to waive the waiting period for the workers at Matachewan and that the company is unwilling to pay them any money for the cleanup period? Is there not something the government of Ontario might do to persuade United Asbestos that those workers should not suffer a severe loss in income as a result of the company's own neglect?

Hon. Mr. Bernier: Mr. Speaker, I'm sure that the hon. member is aware that this is the other side of the coin; this is the problem we experience when we enter into such things as we did in Matachewan. I'm sure he is aware of that. I did, as I indicated to the House, take on the responsibility of contacting the Unemployment Insurance Commission. I have not heard back from them formally, although I was told verbally that they would not consider a waiving of the two-week waiting period. I also took the matter up with the principals of the company and they certainly indicated to me, very negatively, that they would not consider any such consideration of compensation.

There is no programme within the provincial government that would allow us to assist those miners who may be temporarily off this particular project. I'm told that about 120 were at work as of yesterday. Many of them were construction crews doing some technological changes and some cleanup work. About 50 union members were involved, so there is a substantial number who are temporarily unemployed at the present time.

Mr. Bain: Supplementary: Considering that the minister himself is reported to have said in the Toronto media this week that the attitude of the company officials was "unbelievable" and that after some discussions with them this week he has been able to change some of their attitudes, and considering that those resources being used belong to the people of this province, why doesn't he simply tell the company to pay their workers for the time that they're going to lose because the company is having to make up for some of its own negligence?

Hon. Mr. Bernier: Mr. Speaker, my remarks were to the effect that I was appalled at the attitude of the management with regard to the occupational standards and the environmental conditions in their particular plants. I think we've changed that attitude now, but it's directly related to the working conditions of the plant itself.

Mr. Bullbrook: Why don't you answer that question? That is a good question.

Hon. Mr. Bernier: We've had to use a big stick and if we have to use it a little harder, we will; but there is no way, there is just no way, that I can force that particular company—

Mr. Bullbrook: Why not?

Hon. Mr. Bernier: —to pay those particular wages.

Mr. Deans: Why not pass legislation?

Mr. Bullbrook: Why not?

Mr. Lewis: Why not?

Hon. Mr. Bernier: I think this is something that a responsible official opposition has to consider, in doing these things and pressing the government for these things.

Mr. Bullbrook: By way of supplementary, why does the minister tell us that there is no way he can force corporate polluters to indemnify their employees who have suffered financially? I can tell him one way. We are a legislative body. Let's pass a statute forcing them to.

Mr. Lewis: And you can make it retroactive in this case.

Hon. Mr. Bernier: They could leave. They could shut it down.

Mr. Lewis: Let them take the asbestos and go.

Mr. Speaker: The member for Hamilton West has the floor. Order.

Mr. S. Smith: It's Friday morning, you know; you can't help it.

FEDERAL REPORT ON WOMEN'S WAGES

Mr. S. Smith: A question of the Minister of Labour: Is the Minister of Labour aware of the federal Ministry of Labour survey which showed that women in the Kitchener-Waterloo area are paid an average of \$32, or

17 per cent less a week than men doing comparable work—I would imagine she is; and would she not agree this is a violation of the Ontario Employment Standards Act?

Hon. B. Stephenson: Yes, Mr. Speaker, on the basis of the evidence which has been released by the federal Ministry of Labour, I would have to say that it is a direct violation of the Employment Standards Act which must be corrected.

Mr. S. Smith: By way of supplementary, I know the minister has a lot on her plate at the moment but this does seem fairly important: Is she planning to do anything about enforcing the Act or informing the workers in Kitchener of their rights and so on?

Hon. B. Stephenson: Yes, Mr. Speaker.

Mr. Lewis: By way of supplementary, if I may: Since the information has been out now for some time, can the minister indicate exactly what the Ministry of Labour has done in the 10 industries surveyed, every single one of which showed a disparity in wages for the same work?

Hon. B. Stephenson: The first move, of course, Mr. Speaker, is to investigate the information to find out whether it is factual and that is what is being done.

Mr. Lewis: Good grief.

Hon. B. Stephenson: There are certain instances in which the job descriptions do not necessarily match and I think we do have to be sure that when we enforce the Act we are enforcing it properly. Thereafter the Act will most definitely be enforced.

NURSING PROGRAMMES

Mr. S. Smith: Yes, a question to the Minister of Colleges and Universities. In view of the problem, which I am sure we are all very worried about, of about 4,000 nurses graduating this year possibly to find no jobs at all, could I ask what the ministry is doing—is it continuing to enroll nursing students at the same rate? Is the minister planning any post-graduate courses in occupational nursing in other areas which might have jobs available? Is he doing anything, for that matter, to alleviate the problem and this very difficult situation we are in?

Hon. Mr. Parrott: Mr. Speaker, the number of new positions for undergraduate enrolment has been reduced by 15 per cent throughout the system this year. I think members might

share with me the belief that a greater percentage reduction right at this moment would have a very unfortunate result. We are very concerned about the problem. We think that's the response which should be taken at this time. Naturally, we will monitor that situation next year. We hope there will be opportunities for graduates. If there appears to be a continuation of that same pattern then, of course, there will have to be a further adjustment next year.

The number of graduate positions has been frozen for a two-year period so there is not the opportunity for the graduate nurse to go into post-graduate work unless the system, within itself, should so respond. I think I can't add much more than that at this time.

Mr. S. Smith: A supplementary on this. The minister is probably aware that the acting Minister of Health suggested that the nurses could find occupation in a sense by taking post-graduate courses in occupational health.

Could the minister tell this House what courses in occupational health exist in the province? How many of these courses exist and how many places there are for such nurses to enrol and how many enrolment places there are for occupational health? Could he also tell us what the cost is of educating 4,500 nurses, many of whom will now have to leave the province by the acting minister's own statement on the CBC? What is the cost, per nurse, to educate her?

Hon. Mr. Parrott: I will be glad to supply that information. I don't have all that information with me this morning but we will supply it in short period.

Mr. Warner: A supplementary to the minister. What specific plans will be brought into play in the case of St. Clair College for those graduates who are now seeking employment in the State of California and other places in the United States so that those graduates can remain here?

Hon. Mr. Parrott: I think the hon. member would agree that there is a very significant exchange of trained personnel with many countries, and to zero in on one specific profession or occupation I don't think would be logical. I would assure him that the transfer is not just in one direction; it is a two-way street. People are entering Canada—it becomes an immigration problem, a concern—but let me assure him that graduates are also flowing the other way. I am sure the member is well aware of that situation.

[10:30]

RENTAL CONSTRUCTION

Mr. S. Smith: A question for the Minister of Housing. Is he prepared now to inform us about the rate at which new permits are being issued for building starts for rental accommodation, since the rent review legislation has been brought down? The minister indicated some time ago he was concerned that these starts had declined considerably and, of course, if there is no rental accommodation being built, one wonders how we are ever going to get rent review removed. So could the minister please give us now the information that we asked for some weeks ago?

Hon. Mr. Rhodes: Yes, Mr. Speaker, I have the information here. I was intending to reply today to the question asked by the hon. member for Armourdale (Mr. Givens).

Mr. S. Smith: Well, I am a mind-reader, you know.

Hon. Mr. Rhodes: The hon. member asked about the production of rental housing since the introduction of rent controls and suggested it had come to a virtual standstill.

Mr. Speaker, there has been a decline in apartment production in the past years, mainly as a result of the rising costs of construction, increased costs of money and, in many cases, municipal opposition. In 1973, there were 22,820 starts on private rental apartments. This declined to 13,809 in 1974 and 3,360 units in 1975. For the first two months of 1976, about 600 private rental units were started, and indications are that the first half of this year will be similar to the last half of 1975, when nearly 1,700 private rental units were started. I think it's quite evident that there has been a continuing decline in the production of private rental units, starting in 1973.

Mr. S. Smith: Supplementary: What is the ministry doing specifically about this problem to encourage an increase in rental accommodation building, because he knows as well as I do that with a shortage like that, when rent control comes off the rents are just going to skyrocket. It is going to be absolutely impossible ever to remove these controls under these circumstances. What is the ministry doing now to encourage rental accommodation to be built?

Hon. Mr. Rhodes: Mr. Speaker, it is very difficult to encourage, if you will, construction by the private sector. They obviously do their marketing and calculate what their costs are to determine whether or not they are going to go into private rental accommodation.

Mr. Bullbrook: It's obviously easy to discourage it.

Hon. Mr. Rhodes: Within the ministry, we are carrying on with our particular programme of developing the housing that's provided for rental accommodation in the public sector, but I really haven't any answers as to what we are going to do as far as getting the private sector back into that field.

One point that I think should be made, though, is that while many have said the reason for the dropoff in starts is purely rent control, in fairness I think it must be said that there have not been very many new starts, despite the fact the legislation does say that any new accommodation coming on stream after the first of the year would not be subject to rent control.

Mr. Shore: Supplementary: The minister virtually stated it there, but in his original rationale for the reduction, he did not include rent control. Could the minister tell me what effect he thinks rent control has on these reduced starts?

Hon. Mr. Rhodes: Mr. Speaker, I think that rent control obviously has had some effect. I don't think it is the total cause for the decline—I think the figures themselves show that—but I think it has had some effect. There are those who have a feeling that they would rather go into the construction of other types of accommodation, be it single-family, detached or the ownership type of approach, particularly condominiums.

For example, the total for publicly assisted and private condominium apartment construction throughout Ontario declined from 47,858 units in 1973 to 25,544 in 1975, so there has been a general decline in rental accommodation and even in condominiums. But I think rent control has had some effect on the private sector moving away from rental accommodation and into developing units for sale.

Mr. Lewis: Supplementary?

Mr. Singer: Supplementary, Mr. Speaker?

Mr. Speaker: Order, please. We will allow one more supplementary. There has been 30 minutes taken up by the two leadoff questioners up to now and there are other people who wish to ask questions. The Leader of the Opposition may ask a supplementary.

Mr. Lewis: Since the minister's figures belie that assertion—his figures show no evidence that rent control has had any effect at all; the decline happened well in advance of rent control—

Hon. Mr. Rhodes: No.

Mr. Lewis: Well, the minister said it would be the same as in 1975. All right, then, why doesn't he do what everybody has pressed him to do, which is to move in to reduce or stabilize the interest rate in order to bring more rental accommodation on to the market?

Hon. Mr. Rhodes: Mr. Speaker, first of all, I have not said here, nor have I said in the past, that rent controls were totally responsible for the reduction of apartment units. The figures don't say that at all. I completely agree. I have said, and I will say again—and I am entitled to an opinion, just as the hon. member is—that I think the imposition of rent controls has had some effect on the decline. It has had some effect; there's no question about that.

Mr. Bullbrook: No doubt about it.

Interjections.

Mr. Speaker: Order, please. We're wasting valuable time here with the interjections.

Hon. Mr. Rhodes: As far as subsidizing mortgage interest rates is concerned, I really question whether that's a good move considering the fact that the federal government—

Hon. Mr. Davis: You all voted for it.

Mr. Speaker: Order.

Hon. Mr. Davis: You voted for it.

Mr. Speaker: That's the final supplementary.

Mr. Bullbrook: You brought it in.

Mr. Shore: We wanted minority government to work, remember?

Mr. Speaker: Order, please. Does the hon. member for Hamilton West have further questions?

Interjections.

Mr. Singer: I have a supplementary.

Mr. Speaker: I said that was the last supplementary because the time is—

Mr. S. Smith: I would like to ask another question of the Minister of Housing because I think this is an absolute disaster that we're facing. We're talking about the fundamentals of shelter in this province. Is he doing anything whatsoever other than just shrugging his shoulders and saying he doesn't know the answer? Is he doing anything to encourage municipalities to service land so that rental accommodation can be built? Is he doing anything to come up with a partnership arrangement between government and private

industry, where necessary, to get rental accommodation built? Is he just going to sit and wait until a disaster occurs?

Mr. Speaker: Order, please. The hon. member doesn't need to repeat the question. Any answer?

Mr. Bullbrook: It's a good question.

Hon. Mr. Rhodes: Mr. Speaker, as far as the municipalities are concerned we have attempted to have municipalities permit the construction of apartment buildings in their areas. As members know, there is substantial municipal opposition, both at the council level and at the neighbourhood level, certainly to the development of highrise apartment buildings in many areas.

Mrs. Campbell: And the Treasurer makes it tougher for the municipalities.

Hon. Mr. Rhodes: The hon. member for St. George is not all-knowledgeable in this area. I have read some of the things she has said; let me tell her.

Mrs. Campbell: I am not totally ignorant, either.

Hon. Mr. Rhodes: The hon. member for St. George has contributed considerably by her insistence that her particular caucus support the rent control legislation which was brought in here on OHC units.

Interjections.

Mr. Singer: A supplementary to the Minister of Housing. Since such eminent gentlemen as Mr. Randall, Mr. Grossman, the Minister of Consumer and Commercial Relations (Mr. Handleman) and the Provincial Secretary for Resources Development (Mr. Irvine), all took credit for the number of rental housing units built by this wonderful government and since a whole series of provincial Treasurers took the same credit, now that it isn't working what kind of discredit is this minister going to accept and what kind of new plans is he going to bring forward to provide places for people to live?

Hon. Mr. Davis: You are in favour of the municipal autonomy.

Hon. Mr. Rhodes: Mr. Speaker, considering the fact that I have not taken any credit for any of the past performances—

Hon. Mr. Davis: That's right.

Hon. Mr. Rhodes: —by the same token, I don't intend to take any of the blame either.

Mr. Speaker: Order, please.

Mr. McCague: Mr. Speaker, the Minister of Agriculture and Food (Mr. W. Newman) just left.

Mr. S. Smith: Your big chance.

Mr. Speaker: The member for Nickel Belt.

Mr. Wildman: He's back now. Here he is.

Mr. Speaker: All right, the member for Dufferin-Simcoe.

LAND SEVERANCES

Mr. McCague: Mr. Speaker, to the Minister of Agriculture and Food. Is it true that his officials have been instructed not to comment on severances and, if so, why?

Hon. W. Newman: Yes, Mr. Speaker, the agreps across this province, who have had a very close working relationship with the agricultural community and the farmers of this province for over 70 years, have been called on to comment on severances throughout this province. It was brought to my attention about three months ago and at that time I felt we should have a central or regional office commenting on a uniform basis on severances and we should not put the agreps in direct conflict with the people they were serving and working with on a daily basis.

In our ministry we are setting up regional people who will comment on severances upon request to the land division committees throughout this province. We don't like the agreps to be in direct conflict with the people they are working with on a daily basis. That's not to say, as the article would indicate in the paper handed to me this morning, that we are muzzling our agreps at all. We are quite prepared to give the opportunity to them to work with the farmers but we also want to make sure that our regional people, who are qualified and can give uniform comments on severances, will be made available.

Mr. Moffatt: Is that because the Ministry of Agriculture and Food is not prepared to preserve prime farm land?

Hon. W. Newman: That's pure—I am sorry.

Hon. Mr. Bernier: You almost said it.

Interjections.

Hon. W. Newman: Mr. Speaker, that is utter nonsense that's about all I can say for it. All I can say is that we are very much concerned about prime agricultural land. We will have uniform comments on it.

AMERICAN INDIAN MOVEMENT MEETING

Mr. Laughren: I have a question of the Solicitor General, Mr. Speaker. In view of the fact that when the American Indian Movement had a meeting in Sudbury on the weekend of April 4 the Sudbury detachment of the OPP asked a reporter if they could see his notes and listen to his recording of that meeting, would the minister indicate to this Legislature whether or not this surveillance of our native people is being done with either the blessing or the direction of the minister? Would he agree with me, and disagree therefore with his superintendent in Sudbury, that our native people do not constitute a threat to the security of Ontario?

Hon. Mr. MacBeth: Certainly I do not think that our native people constitute any more of a threat to the security of this province than any of the rest of us—in fact, maybe not as much as this Legislature.

Hon. B. Stephenson: Than the NDP.

Hon. Mr. MacBeth: I don't know about the incident the hon. member for Nickel Belt refers to. I will try to get some information on that incident.

Mr. Laughren: A supplementary, Mr. Speaker. Perhaps while the minister is having his officials check it out, he could also check out whether or not the views held by the superintendent are the views that he holds—namely, that without the intelligence units of the OPP there would be Russian submarines in the Gulf of St. Lawrence?

Hon. Mr. MacBeth: Mr. Speaker, like the Minister of Agriculture and Food, I don't try to muzzle my officials or censor their views.

Mr. Lewis: You could simply discuss them and solve the problem.

MUNICIPAL GOLF CLUB MEMBERSHIP FEES

Mr. B. Newman: Mr. Speaker, a question of the Minister of Consumer and Commercial Relations: Is the minister aware that the Liquor Licence Board insists on a membership fee of \$10 to individuals who may wish to play golf at various municipal golf clubs—and other golf clubs—yet a lot of the individuals who wish to play have no intention of using the club facilities, the club dining facilities, or care that the club may have a liquor licence?

Hon. Mr. Handleman: Mr. Speaker, I was not aware at all that the Liquor Licence Board had any control over the membership fees paid in golf clubs. I would be prepared to look into it and report back to the hon. member.

GUIDELINE FOR RENT REVIEW OFFICERS

Mr. Grande: Mr. Speaker, a question of the Minister of Consumer and Commercial Relations: Could the minister tell us what can tenant organizations do to force landlords to present true financial statements to rent review officers rather than the whitewash they are now being allowed to present?

Hon. Mr. Handleman: Mr. Speaker, I don't accept the assumption of the hon. member's question. I won't answer it.

Mr. Grande: Could the minister tell us what government guidelines are issued to the rent review officers which will tip them off that somehow the landlords' financial statements are not true and correct? Could the minister also inform or instruct the rent review officers about statements such as these: "You've come here to find out why your rent is going up; the financial statements are too complicated for you to understand so here is the bottom line"?

Hon. Mr. Handleman: Mr. Speaker, first of all, there are no government guidelines to rent review officers other than those contained in the legislation and their own internal communications. I am not aware of that last statement being made by anyone; it's not been attributed to anyone by the member. If he has any evidence that that statement has been made by one of our officers, I'd like to know the details.

[10:45]

TIMAGAMI AREA BUILDING FREEZE

Mr. R. S. Smith: In the light of the statement made by the Attorney General (Mr. McMurtry) yesterday in regard to the caution on the 105 townships by the Bear Island Indian band, could the minister indicate to me what officials actually met with the band, as indicated by the Attorney General, what has happened in the two-year period since these officials last met with the Indian band, and where the study now stands? Apparently it has been in the works for two years and I've discussed it with the minister and the

deputy minister on a number of occasions. When is the minister or deputy minister, or somebody with some type of authority to deal with these people, actually going to meet with them?

Hon. Mr. Bernier: Mr. Speaker, as the Attorney General pointed out, it is a very complex issue, and I would be prepared to get the answers to those various questions to make sure that the hon. member is fully aware.

Mr. R. S. Smith: Supplementary: Is the minister prepared to give an undertaking to the Legislature that he or his deputy, or both of them, will meet with the Indian band in the very near future to see if there is some common ground on which they can discuss this, because the whole economy of the area is being affected?

Hon. Mr. Bernier: Mr. Speaker, the Attorney General clearly pointed out yesterday in his statement that officials of my ministry had been in touch with the lawyers of the Indian band to try to determine in what direction they wanted to go and what they are attempting to obtain in the proceedings that are going on. Nothing was resolved in those particular meetings, but as we move down the road we would be prepared to meet with them, yes.

TRANSPORTATION COSTS IN NORTHERN ONTARIO

Mr. Foulds: Mr. Speaker, I have a three-part question for the Minister of Transportation and Communications arising out of the report entitled, "Executive Summary. An Investigation of Freight Rates and Related Problems. Northern Ontario." First, will the minister table the working papers and background documents that gave rise to that summary? Second, can the minister explain why his colleague, the Minister of Revenue (Mr. Meen), and he himself, is so complacent about the discriminatory sales tax as mentioned in the report that is visited upon northerners? Third, how soon will the province act to take some kind of concrete action to implement recommendation No. 20, which was that the federal government should provide needed funds for the access of northern Ontario to the Great Lakes market, and does the minister not think that should be extended to the mid-west US market? What concrete action is he taking?

Hon. Mr. Snow: First of all, Mr. Speaker, I will investigate what working papers or

documents we have. I'm sure there was a great quantity of backup information that went together in that report. I will investigate this and see whether it is feasible to table all that backup information. As to the second part of the question, I don't think either the Minister of Revenue or myself is complacent at all regarding sales tax. Sales tax is uniform throughout the province. We did point out a situation where sales tax at the consumer level is charged on the price of the sale to the consumer, and if that price is higher because of the freight included, that consumer is paying marginally higher costs.

I'm sure we could come up with other situations where a particular product may be less in northern Ontario because of freight rates too. I'm sure we looked at this situation. I think the report says that we could see no easy way of meeting that disparity, but pointed out that through special grants to northern communities made by the Treasurer (Mr. McKeough), we thought this was an offsetting factor. The hon. member may or may not agree with that, but that is what was stated in the report.

Mr. Laughren: You can do better than that.

Hon. Mr. Snow: I really don't see that any way. The member may wish to question the Minister of Revenue as to whether he has any suggestions as to how this disparity can be removed.

Interjections.

Mr. Speaker: Order please. The question period has expired.

Petitions.

Mr. B. Newman: I have a petition signed by approximately 10,000 residents in the Windsor and Essex county area who have asked for the repeal of Bill 27.

Hon. Mr. Henderson: Do you support it?

Mr. Speaker: Presenting reports.

Motions.

Introduction of bills.

ANSWER TO A WRITTEN QUESTION

Hon. Mr. Welch: Mr. Speaker, before the orders of the day I wish to table an answer to question No. 18 standing on the notice paper. (See appendix page 1640.)

Mr. Speaker: Orders of the day.

Clerk of the House: The second order, resuming the adjourned debate on the amend-

ment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE (continued)

Mr. Speaker: The member for Frontenac-Addington (Mr. McEwen) had the floor. Is he not in the House?

In the midst of the remarks of the member for Frontenac-Addington, he indicated that he had considerably more to say and that he might not be here this morning. Do we have permission that he might resume his remarks at a later date?

Agreed.

Mr. Speaker: The member for Mississauga South.

Mr. Kennedy: Regarding that concurrence, this then brings the budget debate to this side of the House. I am pleased to rise and make a few remarks on some current issues.

The Treasurer brought down a very palatable and acceptable budget a couple of weeks ago, Mr. Speaker. I have had the opportunity to consult with numerous people in my riding since, and they all support it. It's quite right. And this party, I might add, also supports it, Mr. Speaker.

Also, I might digress for a moment and say that in Mississauga they also support that great federal Progressive Conservative Party. Last night, I had the opportunity to attend a meeting in our riding at which the next Prime Minister of Canada was the guest speaker.

Mr. Peterson: What a pile of guff.

Mr. Kerrio: Is that Joe McTeer?

Mr. Kennedy: I thought that would bring those fellows to life.

Interjections.

Mr. Speaker: Order, please.

Mr. Kennedy: They might as well be aware of the situation. It was an excellent meeting. It was a sellout.

An hon. member: It certainly was a sellout.

Mr. Kennedy: The question now is when the weight comes down on their fellows in Ottawa they're going to say: "Who, Joe again?" And those fellows will know it, too. He did a great job. There was such an audience there we couldn't get them all in and they came up around on the stage be-

hind him. They were jammed in the hallways. I'm glad the fire marshall wasn't there. Mr. Clark was met with great enthusiasm.

Mr. Ruston: Did you sell Wintario tickets there?

Mr. Kennedy: It was a speech off-the-cuff that said more in 30 or 40 minutes than occurs in Ottawa in a week. Then he answered questions for another 20 or 30 minutes and left to catch a plane to get back to Ottawa.

Mr. Ruston: He knows as much as Bob Stanfield, I take it.

Mr. Kennedy: He had a great day in Metro Toronto and in Mississauga—and, I might say, we had a great day. It was also a great day for Metro Toronto and for Mississauga in having that inspiring gentleman before us for several meetings and interviews.

I want to speak on a variety of subjects for a few minutes. First of all, the subject which is getting to be annual or perennial is the so-called loss of agricultural farm land. The member for York South (Mr. MacDonald) is a renowned agricultural critic for the opposition. Each year when the agricultural estimates are on, the member for York South comes forth with some very good comments about it. Knowledge of the nuts and bolts and forks and shovels of planning is perhaps lacking but he does make a constructive contribution and it is always interesting to listen to his remarks. I couldn't quite relate whether he is in favour of freezing land or semi-freezing it, or against freezing it. As he and the Minister of Agriculture and Food engaged in some interchange across the floor of the House, he seemed to twist and turn. I thought he was for it and then against it. I have a copy here of his interesting remarks in Hansard, but I can't understand whether the NDP is for a freeze or not for a freeze.

Mr. Shore: Both, both.

Mr. Ruston: It depends on who you are talking to.

Mr. Kennedy: I think the shadow of British Columbia hangs over that party and inhibits it to some degree.

Mr. Shore: Similar policy to you.

Interjection.

Mr. Kennedy: That's right, they don't talk about B.C. Perhaps as the issues develop we will hear more from this party. The farmers of Ontario are waiting with interest too to see just what firm position is taken.

The Liberal Party wants a semi-freeze, not a deep freeze but something between being open and frozen—a selective freeze. I don't quite know where they would go. I don't think a selective freeze policy is one that would work. I don't know how they would apply it, frankly. We will wait and hear from them how to apply it, who to freeze, who to free. I think they've got themselves an issue. I don't know what they freeze. In fact, I am sure the issue has been quite distorted by this federal statistic that speaks of the 26 acres per hour going out of production.

Mr. Riddell: It's also distorted by the NDP and the minister himself, because neither of them knows the facts.

Mr. Kennedy: Well, everybody does. It was in yesterday's Globe about this.

Mr. Wildman: Fancy that.

Mr. Kennedy: Yes, fancy that.

Interjection.

Mr. Kennedy: Well, I tried to sort this out but—

Hon. W. Newman: Why don't you look into your own country?

Mr. Riddell: They have no idea.

Mr. Moffatt: You don't know where the land is—

Mr. Riddell: Stick around when I speak and I will tell you.

Mr. Kennedy: Nobody has come up with the answer.

Interjections.

Mr. Kennedy: The statistics came from Statistics Canada and I have asked them and asked them on what basis is this—

Mr. Wildman: Should we get them from the US, is that it?

Mr. Kennedy: We should have got the facts, that's the thing. They are all very conflicting. There was no definition of improved farm land, and as this heats up, that figure of 26 acres per hour gets distorted from being improved farm land to prime farm land. The fact of the matter is we still haven't got the facts. I asked Statistics Canada to send down the source of the information.

Mr. Moffatt: Just ask the Federation of Agriculture.

Mr. Kennedy: No, that is out of Statistics Canada. We find out that it includes lane-ways, fallow land, and we don't know what else.

Mr. Wildman: Why don't you go to your own minister?

Mr. Kennedy: The statistics aren't from this ministry.

Mr. Wildman: I know. Why don't you have any?

Mr. Kennedy: They are from the federal statistics branch.

Mr. Shore: They have got one or two people who could look at that.

Hon. Mr. Newman: We have some figures. I gave them the other night.

Mr. Kennedy: The problem is they don't seem to be able to come up with a simple answer of how this two million acres has disappeared.

Mr. Riddell: The problem is we have not got the true inventory of land and we have not got an ideal classification of land.

Mr. Wildman: Now you have said something right.

Mr. Kennedy: On the contrary, I always considered our soil maps to be pretty accurate barometers.

[11:00]

Mr. Moffatt: The minister doesn't agree.

Mr. Kennedy: Well, they're as good as we've got.

Mr. Lewis: Most of them were done between 1928 and 1932.

Mr. Kennedy: Most, yes; there's no question about that—but some were done subsequent to that.

Mr. Lewis: In two counties, Haldimand and Norfolk, and a little of Durham—and they showed the original maps were wrong.

Mr. Kennedy: I don't claim they're perfect but we can't find the answer on this 26-acre disappearance. In my riding there is an interested group, the University Women's Club, which established a subcommittee to look into this.

Mr. Shore: To look into the farm land situation.

Mr. Kennedy: Yes, they have worked very hard at it. The fact of the matter is that the

impression is loose in some circles that the two million acres has been built upon or gone out of production forever. Well, at four houses per acre, on two million acres we'd have eight million houses or one for every man, woman and child in Ontario. They'd each have their own individual, single-family dwelling. So that's just not true.

We know where some of the land has gone. The Leader of the Opposition was quoted in the paper as making reference to hydro lines, dams, freeways and growing cities; we know they take a portion of it, but nowhere near that figure. I tell you, sir, that statistic will not stand up to scrutiny, and I'm still awaiting a response from Statistics Canada as to how it was derived.

Mr. Wildman: In the north, poplar bush has taken up a lot of it.

Mr. Kennedy: I want to say this about it, though: The figures may be inaccurate or open to question which—they most definitely are, because nobody knows where they came from; the previous Minister of Agriculture and Food tried to find this out and he wasn't successful—but I think the fact that it has brought the disappearance of farm land to the fore is one of the healthiest things that has happened for agriculture and for the country, because we can discount the figures and come to a realization of the problem and deal with it. This is what we are attempting to do.

In speaking to this subject last spring, I mentioned the fact that the tremendous production capacity of the agricultural sector of our economy also is overlooked. I would suggest that we could double our production, if we really had the will and the need. We saw it demonstrated during the Second World War, when the farmers were asked to produce certain commodities that were needed. I will always feel very grateful, as well as impressed and proud, of the response of the agricultural sector of our economy in Canada to produce when we were in that time of danger and food was a needed commodity. If anyone cares to go back to the statistics of those war years, they will see the tremendous increase in production—I was going to say overnight, but within a few short months—that demonstrated the response of the agricultural community to the needs of the nation and of the allies for food. It's relatively easy for the agricultural sector to change the production of any commodity to meet needs; the flexibility is just incredible.

I want to read into the record just a few statistics with reference to the overall general

improvement in the agricultural community to produce crops based on improved soil science, varieties and cultural techniques. The agricultural statistics show this: winter wheat in Ontario, 1941-1945, the five-year average was 28.3 bushels per acre; in 1966-1970 it was up to 41.6 bushels per acre—a 46 per cent increase in production per acre in that 25-year span.

Another important figure is total production. There was a drop of some two million bushels in total because the acreage dropped for wheat from 626,000 to 362,000 acres in that same period of time. It is probable this land was shifted to other crops, because this is part of that tremendous capacity to be flexible that I spoke of.

Oats per acre rose from 35.3 to 54.2 bushels per acre. I never thought we'd see the day when varieties of oats could increase so dramatically. But with this crop, total production was only down about eight per cent or nine per cent. Barley was 30.4 to 49.6 bushels per acre. The acreage for this crop stayed about the same, so production is up about 5 per cent per acre. Mixed grains rose from 35 to no less than 57 bushels per acre. Soyabeans, one of our great coming crops over the last quarter century, rose from 18.9 to 29 bushels per acre—a vast increase in acreage and yield.

There's nearly a 10 per cent increase in corn, our other most important economic crop—nearly 100 per cent in shelled corn—up from 45.8 to 82.6 bushels per acre. The acreage, in addition, for corn, has increased from 238,000 to 918,000—almost a million acres. Grain corn has gone from 11 million bushels to almost 76 million. With silage corn the tonnage—fodder—has gone from 9.6 to 12.6 bushels per acre.

This isn't as if you were selecting one year—these are the five-year averages. The low figures, 1941-1945 during the war years; the high, 1966-1970.

Those are just a few of the crops. Another important one, too, I'll just put on the record—hay yield: 1.89 tons to 2.53 tons per acre. Acreage dropped from 3.5 million to 2.2 million for hay; yet the production is up from \$6.7 million to \$8.2 million in value.

This just gives a few figures showing the tremendous capacity of the agricultural sector of our economy to produce—not only to produce, but to respond as the need arises under the Ministry of Agriculture and Food, which relates very closely to the farmers. It's always a comfortable feeling to know the relationship between the ministry—the agreps, their repre-

sentatives—and the farm fraternity through Ontario. I think that type of relationship and consultation is one of the reasons for the ongoing success of agriculture in Ontario.

I wanted to say, too, from my personal experience that that has been my life until, as I have been told, I took leave of my senses and ran for political office. I can assure you, Mr. Speaker, that some of the happiest days of my young life have been spent with farmers in most parts of Ontario, throughout most of the counties with, first, the Veterans' Land Act which did a wonderful job in establishing returned veterans on farms and, secondly, with the Farm Credit Corp. This is among my fondest memories.

What I want to do just for a minute is to pay tribute to the immigrant farmers who came into Ontario and who didn't look for handouts which are foreign to the farm sector of the economy anyway. They just need and want the opportunity to stand on their own feet. I think it was a great infusion, not only into agriculture but into our moral fibre, that they came in here not looking for handouts but looking for the opportunity to farm and to work.

Under the farm credit programme for which there were certain terms of eligibility or under the junior farmer loan plan that was going, assistance that was given was well used. You would go into one of their barns and you would see Holstein cows that made our milk production statistics almost take off. I don't know what the average is. Perhaps the member for Middlesex (Mr. Eaton) would have those more readily at his fingertips. But it was a real inspiration to go to those farms to do what we could to help them help themselves and to see the dedication they had to the job and how they were handling it. They were efficient.

When we speak of a declining number of farms, this bringing together of farm units for efficiency is something that I would like some feature writer perhaps to write the story of or to rewrite it. No doubt there are bits and pieces that you see about the shift in agriculture, when we compare the statistics, of which I have related a few here, to the tremendous job that's being done in that sector of the economy—

Mr. Riddell: We will assign that job to the member after the next election. He will have lots of time on his hands.

Mr. Kennedy: I mentioned our national leader earlier. I didn't say it last night but I will let it out within the confines of this

House. We don't all live forever but whenever I see fit to terminate my stay here or the people see fit to terminate me here—I hope it's the former way that I leave—actually at that time Joe Clark will be the Prime Minister of Canada.

Mr. Ruston: You going to run for federal office then?

Mr. Kennedy: No, I am going to get a spot in the Senate.

Mr. Riddell: You will still have time to write that book.

Mr. Kennedy: Oh, yes. I would thoroughly enjoy doing that, very much so.

I want to speak on a couple of local matters. Having touched on that subject, I want to say, in closing on that particular point, that the government is concerned. We are concerned, about our capacity to produce here in Ontario. We are getting more and more efficient. We can have a shift in the lesser quality farm lands.

[11:15]

There are some farmlands which I would say are reasonably productive—they're past the point of no return—to return to farming. I say this because they're in urban or semi-urban areas and I can speak more knowledgeably of my area in which the Mississauga University Women's Club have taken such an interest. Again, this is most interesting because we simply didn't have urban people all that aware of or concerned about agriculture in Ontario. I think this is another reason that this ongoing debate is a very healthy thing. I have had an excellent meeting with them.

I want to come back to the concern we zeroed in on in my discussions with them and that was this piece of farm land—or former farm land—they call the hole in the doughnut in Mississauga. It's under the westerly flight path of Malton airport and, in effect, there's a freeze on that insofar as housing is concerned. The land has been purchased by speculators, developers, and the buildings are deteriorating to the point where they're useless. The cost to purchase that land by developers is something astronomical based on the value it has, by and large, for urban development. The question is should we return it to agriculture? If so how and who pays? We could expropriate it, sure. Government can do anything, I guess, but not this one because this isn't Russia. We're not going to move in with a heavy crunch. I believe the incentive route is the one to take.

We have this land which can be leased and the former ag rep's son, the member for—

Mr. Riddell: Huron-Middlesex.

Mr. Kennedy: —Huron-Middlesex would be interested in it, can we take this land—it's frozen for urban development at the moment—return it to agriculture, put a set of buildings on it and make it productive with an urban builtup area all around? We can. We can do anything if we want to but there's a big price to be paid. I recall when that land was being farmed and a great deal of it, perhaps 50 per cent, is very marginal as to its viability as farmland. There is some good farm land.

We say we're going to put a—supposing there was a set of buildings to be put on it. We have the problem now of the environment—the other major problem of concern to all people in Ontario, Canada, the world. Supposing we start a piggery opposite a nice subdivision; what's going to happen?

Hon. Mr. Meen: Great idea.

Mr. Kennedy: This minister happened to hear that remark. Would that be all right?

Hon. Mr. Meen: No.

Mr. Kennedy: That wouldn't be all right. There are these practical problems to it and I think we have to take this into consideration with the overall picture. Discount that land as being returned to agriculture because I don't think it's feasible or practical to do it.

There is an area in which we can put the brakes on and I see it through the use of incentives to encourage farmers to stay on the land. We've been in the area of acknowledging the benefits of farming but I think there's much more to be done.

I heard an argument the other day about subsidizing farmers—there's criticism of subsidies to farmers—that it's out of hand and they should stand on the economics of farming apart from subsidies. It's not that easy. This argument was, and I think there's some validity to it, that when we subsidize farmers in effect we're subsidizing ourselves because the result certainly must be reflected in the marketplace of farm commodities.

Anyway that's my suggestion, and not that which was mentioned by the opposition. I don't really understand if they're for freezes or against freezes. I think the practical application of them would be a big laugh among the farm fraternity, and they're certainly going to be interested.

There are a couple of local issues I wanted to touch on, if I can find the notes. One is a

local problem with the Lorne Park truck weigh scales, located in what is now a quite builtup residential area. They're a bother because of the noise factor. Trucks pull in to be weighed, rev up their motors and disturb those nearby. The people nearby do acknowledge that the scales were there first, before most of the present residents. However, I wanted to urge the ministry again to have a look. They've not totally discounted the possibility of moving the scales to a more suitable place, insofar as the residents are concerned, yet enable them to do their job of inspection.

This particular set of scales is adjacent to the eastbound traffic lanes on the Queen Elizabeth Way. It's just a pull-off and it disrupts traffic. The traffic there is under surveillance. If the hon. members are going along the Queen Elizabeth Way, they're on "candid camera," which is a set of TV cameras along the Queen Elizabeth Way from Highway 10 out to Mississauga Rd. and various areas so that they can monitor traffic. It's a great benefit because, if there's an accident or a breakdown, even before the vehicle rolls to a stop they can have help on the way through this monitoring.

The traffic coming on and off that scale has a detrimental effect to the movement of traffic. If any members know the newer scale settings, they now pull well off the highway and there's a boulevard and space between the shoulder of the road with some green area. The scales are well in with ample room for movement of vehicles to the point where they can pretty well accelerate before they rejoin the traffic. I think it makes for an easier traffic flow. I keep urging the ministry to have a look at this and see if we can have some hope of alleviation of this problem.

One other thing, I want to commend the Minister of Transportation and Communications on his establishment of the select committee to look into the trucking industry and freight rates. I think there are inequities in many areas and probably all members have had correspondence and calls which indicate some of the frustrations and what seem to be inequities in the trucking business and bus business.

I haven't had an opportunity to read the background papers of that select committee but I've had correspondence from a manufacturer in Mississauga. This area is right adjacent to Metro. There is some figure like a dollar a hundred variation in freight rates from Mississauga to the north—I think it was Kirkland Lake if my memory serves me right—against a shipment coming out of Metro Toronto. I would suggest that a shipment out

of east Toronto—Scarborough—mileage-wise, is probably much farther than from Mississauga even from the downtown centre core. I know there are tremendous complications with this and I hope this aspect of the industry is within the terms of reference of the select committee because I think it's very interesting to go into that.

There is another area, too, and this is the consolidation of truck lines. I know there are amalgamations and perhaps there needs to be, almost at provincial level, a committee of some such thing. I don't know whether it's within our jurisdiction or our constitutional capacity to have a fair practices committee, a restraint of trade committee or some such thing as this to look into this to see that the public is served most economically and fairly by that industry.

I am not saying that this is occurring but I know, perhaps it's all in the name of efficiency, that the less efficient ones are knocked out. Busing facilities is another area. As I say, I think it is very timely that the minister has brought forward this suggestion and I think it will be well received and well responded to by the people of Ontario.

There are three or four other things in the riding which, perhaps, can wait for another occasion, Mr. Speaker. After all this discussion about hospital facilities we still have the same general facilities in Mississauga as we have had for five or six years, since there last was an increase in hospital beds.

I understand Brampton has had an approval and Mississauga's is in the wind. There has been tentative approval. It's a matter of finding the money and then this can go ahead. If you relate the hospital beds to the population which, in all fairness, isn't completely accurate, the population has increased tremendously but the number of beds within Mississauga has remained the same. We also have access to facilities in Metro hospitals. It takes a little study and examination to get all the facts brought into line to see where we are.

There is one overriding principle and that is with the increased population we simply do need new and more hospital beds for the general population. I wouldn't say it has doubled but it is up a third in these few short years since the last addition. The plans are prepared. They are ready to go. I know it's a priority for funding as it very well should be. The area around Streetsville is building very rapidly with Erin Mills and I understand there is land available there. At some point along the way we are going to have a hospital there.

In Mississauga we are also pleased that the Ministry of Transportation and Communications has raised its allocation for the Lakeshore highway repaving in the Lakeview area from \$100,000 to \$500,000 which hopefully—

Mr. Reid: Did you have anything to do with that?

Mr. Kennedy: I was very interested. I drive over the road and it is a high priority area. The highway is not the quality of highways in the north which are excellent, I understand, under the aegis of this great government.

Mr. Reid: Why don't you come up there and I will show you? Bring your car.

Mr. Kennedy: I have been up; it's beautiful country up there. Highway 2, in the name of constraints, was built some years ago and it is a little narrower than is specified now so there is a risk factor. It has been on the agenda for improvement for many years. The maintenance has not been up to the standard one would normally provide, so it is a very high priority. In response to some representations by councillor Ron Searle, the mayor and several others, including three members from the great city of Mississauga, the ministry has taken a second look at this and raised the ante some, and hopefully they will be able to start this year.

Our other great need, and it is not confined to Mississauga, is improved protection at level crossings all around Metro. I can recall and I am sure—well, I don't see any members who might be of my vintage; maybe they can't recall, so I will remind them; the Provincial Secretary for Justice (Mr. MacBeth) can recall—when there were unprotected level crossings, and I mean unprotected by virtue of the fact that all they had were the crossed signs warning of a railroad. With great pressure at the time, it was finally agreed that added protection must be provided, so they added the wig-wags and the gates and this type of thing. At the time, it was supposed to be just impossible to do this, because of the expense, and the traffic didn't warrant it and this type of thing, but nevertheless it was done.

We can now say that all level crossings, so far as I know, around Metro are protected by more adequate means than just those cross warning signs, but now we come to the point where the traffic has built up, both rail and vehicular traffic, to the point where these aren't adequate. There are trains going in both directions, motorists get confused and this type of thing occurs, and we have had

the tragic fatalities that we are all aware of, some in Mississauga.

I had correspondence on this, because I wrote the ministry to find out just what the process is. I won't read that into the record, there is no need, but the fact is there are three or four agencies involved—the province, the municipality, I believe the federal government, and certainly the federal transportation agency, Crown agency or whatever—and all those agencies have to be pulled together to fund this. It's a big task, because each one operates within its own budget and it's not a swift thing to get underpasses or more adequate protection on the rails—not to make a pun—and provide more protection.

We have had two fatalities recently in Mississauga. At Clarkson Rd. and at Lorne Park Rd. there's a great increase in train traffic. That, of course, is the route the GO trains go on, so there are numerous trains added right there and there is to be another added as well. This need should have a much higher priority than it has, I suggest, and I would hope that perhaps we could have a Metro area committee of some kind to review this and find out where the priorities are.

There is something in the order of 40 or 50 underpasses and overpasses, and this wouldn't cover them all. I am told that along the lake-shore line there is something like 14 just west of Metro, and a similar number east, presumably. I think there should be some bringing together of people to see what can be done to expedite this added protection before we have more fatalities. There's only one way to go on this and that is to provide overpasses and underpasses as quickly as we can in this buildup area.

I think now there are only two or three on the railway out to contract. They're not many in relation to the need. If a train's going from the Union Station either way, each crossing it comes to needs protection, one as much as the other. Some of them have been cut off in our area. There's a limited number of roads. They're very heavily travelled. I think this applies to the east as well as the west. So we need to set up a higher priority to move along in some orderly fashion and add that protection.

They started in 1918 in Port Credit to talk about the need for an underpass and it finally came about in the late 1950s or early 1960s. We simply can't wait that span of time now with the rapidly accelerating population needs in and around Metro. So I make a plea that the priorities be established and that we get going on these right across Metro and beyond in the urban areas.

With those few remarks on the budget I will close. I was going to speak for an hour or two on the budget, which I can do and with great fervour and enthusiasm, but I'll leave that for another occasion.

Mr. Bounsall: Mr. Speaker, I'd like to start out my remarks on the budget debate by complimenting the present Speaker of the House for the very conscientious job which he is doing on behalf of the members in ordering the business of the House and keeping in control the rambunctious members.

I'd also like to pay credit to the excellent job which the Deputy Speaker and chairman of committees, the member for Lake Nipigon (Mr. Stokes), is doing in that capacity. It's very interesting to see a member of our party in that position, and the member for Lake Nipigon certainly comports himself well in a way that's suited to his capabilities. While we're on the same topic, I might mention that the deputy chairman, who is now in the chair this morning, does an excellent job. The member for Simcoe East (Mr. G. E. Smith) is the deputy chairman of the committees and from time to time, as this morning, serves as the Speaker.

This is the budget debate. Like most members, I don't intend to spend much time talking about the budget per se. However, there are a couple of things which I always feel a twinge of conscience about—that I should have some of my remarks related to budgetary matters. The budget as recently passed is still very fresh in my mind. I'd like to mention one particular aspect about the budget, and that is the increase in OHIP premiums.

I feel, and I'm sure everyone in our party feels, that this increase in OHIP premiums is utterly wrong. In a personal way, since no portion of our OHIP premiums is paid by our employer here in the House, it means another \$120 directly out of my pocket—and for most of the secretaries to the members in our NDP caucus it means that as well. There are a few of them who are single and this means another \$60 out of their pockets. This is true for any and all people in Ontario who have to pay their own premiums.

In that regard may I say it's nonsense to pretend that the employers who are paying a portion of it will be bearing the full brunt of this. Rest assured, where employers pay a percentage of those OHIP premiums, at the next negotiation time or at the next normal increase in the adjustment of their salaries in the course of the year, that increase those employers have to pay will be fully taken into

account. The effect may not be felt this month or on May 1, when the first premiums need to be paid, but it will certainly be an issue impeding negotiations, and one which will be felt at some time within the next few months by most workers in the Province of Ontario if it is based on a percentage in their contract or in their agreement and their employers have had to increase that amount.

So the effect will come not immediately but it will certainly be felt. The increase which employers will have to pay most certainly will be taken by the Anti-Inflation Board to be part of the increased benefits for those workers. So what we have done is increased OHIP premiums and increased them for workers in which a portion is paid in a way in which the Anti-Inflation Board will be involved with it and will calculate that dollar amount as part of the allowed percentages allowed by that board. It is nonsense to think, as the Treasurer (Mr. McKeough) has said, that this will not have much effect on people because employers in many cases are paying all or part of those premiums. It was completely unnecessary for those premiums to have been raised.

There is a very easy set-off against those premiums. The premium increases will produce in the vicinity of \$228 million in revenue for the province. If we had taken off the tax exemptions on production machinery, that would have produced \$220 million for the province and made completely unnecessary the OHIP premium increase. I have spoken on more than one occasion in this House on the bills which have come forward to extend that decreased tax on new production machinery in Ontario, and it is a concept to which we are opposed, because it is a move which in fact produces more unemployment in the Province of Ontario. Any new production machinery purchase and the encouragement is there to purchase that machinery—is all in the more automated form, resulting in less employment of persons in this province. So that measure is counterproductive to employment in this province.

A point we have not had to consider, because the bill simply extends it to everybody, is that if the bill had come in with respect to production machinery, saying that there would be no sales tax only on production machinery produced in Ontario, so that in fact would stimulate the location of production machinery manufacturing in the Province of Ontario and give encouragement for other provinces and other countries to buy our production machinery produced here, that is something we would have to consider very

seriously. But to give a blanket elimination of sales tax for production machinery, no matter where it is produced if purchased in the Province of Ontario, is completely counter-productive to employment opportunities in the Province of Ontario.

The figures I have show that 80 per cent of the production machinery purchased with no sales tax in the Province of Ontario is production machinery produced and assembled outside the Province of Ontario. We are gaining virtually nothing in employment opportunities by this \$220-million-a-year giveaway in which we are continuing to participate. At the same time, we are raising OHIP premiums to the tune of \$228 million. There is no question in our party, as a first step, that we would simply say we would remove that sales tax exemption from production machinery as the means whereby we would get \$220 million so the increase in OHIP premiums would not at all be necessary.

[11:45]

One topic which is of great interest to the riding of Windsor-Sandwich which I represent, and in fact to the whole of the Windsor area, is railroad relocation and railroad relocation studies. I have lived in Windsor now for only a little over 10 years. When I first arrived in Windsor I was appalled, as a newcomer to the city, to find a great number of places in the city where I was rather surprisingly held up by rail traffic. I don't mean for short periods of time. It was not uncommon then, and it is even more common now, to be waiting 10 and 15 minutes for trains to get across a level crossing in the business and built-up areas of Windsor.

It has been an issue in Windsor that there should be railroad relocation. I can remember as far back as 10 years ago, when I was first in the city, urgings by the city council and by concerned citizens' groups to the federal government to do something about railroad relocation. As far back as 1972, pressure was put on the federal government, mainly by the city of Windsor showing its great concern. Studies prepared then—in fact prepared some years before that—caused the federal government in the middle of the federal election campaign to announce there would be great news for Windsor, that it would finance railroad track relocation studies in Canadian cities, that Windsor certainly had a high priority for railroad relocation and that a bill would follow shortly after the new Parliament convened.

In April, 1974, a bill was introduced by the federal Minister for Urban Affairs which

would give the federal government power to expropriate railroad rights of way and make core area urban land available for other developments. "Getting railroad tracks out of Windsor's waterfront has been a high priority concern for several years," according to a direct quote by Urban Affairs Minister Ron Basford.

The bill was introduced in that week of April 27, 1974, and was to provide \$250 million over five years for studies involving the relocation of railroad trackage, and in some cases the relocation itself. That was April 27, 1974. Since the federal government had announced in 1972 there would be railroad relocation studies the city of Windsor with the full knowledge of the Ministry of Transportation and Communications here, a bridge over one line of these railroad tracks having found to be unsafe, made the decision that rather than rebuilding that bridge the city would expend funds that would cause that bridge to be operable for only another five years. That was the choice the city had, whether to rebuild the bridge entirely, at great expense, or repair it in such a way—and this was the only sort of repair that could be found as to keep it operable—so that it would be in use for another five years, at considerably less cost; but on the hope, and really on the understanding, that in five years time, by late 1977 or early 1978, there would be railroad trackage relocation, assisted by the federal government and the provincial government, such that those tracks over which that particular bridge passed—Peabody Bridge being the name of that bridge—would no longer be necessary as those tracks would have been relocated.

The story then goes on from there. The federal government announced that it would pay, I think, the first 25 per cent—which finally wended its way to 50 per cent—of the cost of the studies indicating which cities should have railroad relocation and what type of railroad relocation should occur in those cities.

On June 15, 1975, the matter having been a matter of discussion between the federal and the provincial governments as to which cities and how much—the 50 per cent by that time having been decided upon—the then minister was quoted in the press as saying he was convinced of Windsor's need to be among the four cities chosen in the Province of Ontario for railroad relocation. It's not hard to understand why he would make that particular comment because of the studies which had already been done and the statistics gathered by the cities in Ontario interested at that time.

There were eight: St. Thomas, North Bay, Niagara Falls, Windsor, Sault Ste. Marie, Sudbury and Brantford—I'm not sure which was the eighth. Windsor was able to show at that time, its studies having been done and updated with ease for quite some time, that it had the greatest number of level crossings within an urban area per head of population of any city in the Province of Ontario. It was quite reasonable to assume that there would be no problem in Windsor being on that list of four.

Pardon me, that was May 16. On June 17 the then Transportation and Communications Minister, John Rhodes, said he would look with favour on including the city of Windsor's proposal among the four pilot studies on railroad relocation which he would like to make.

I understand from people on the Provincial-Municipal Liaison Committee, which was charged by the Treasurer of Ontario with making the choice, that the Treasurer of Ontario submitted to the Provincial-Municipal Liaison Committee four cities as the cities which the government thought were those which had the highest priority among the eight competing for it. Those four cities were Windsor, St. Thomas, North Bay and Niagara Falls. The Provincial-Municipal Liaison Committee was asked to make its choices and to recommend any difference if there was one.

I have it on very good authority from members of the Provincial-Municipal Liaison Committee that when they received that list, they looked it over and, in essence, handed it back to the Treasurer of Ontario with the comment "We agree with your priorities." At that point having given the Provincial-Municipal Liaison Committee an opportunity to comment, the Treasurer had already indicated which four it seemed to his ministry were the appropriate ones. They agreed that the list should have been St. Thomas, North Bay, Niagara Falls and Windsor, with Windsor, in essence, leading the way.

It was with quite some shock that on Aug. 15, 1975, they heard the announcement that the four cities to be the pilot project cities for the study were St. Thomas, North Bay, Niagara Falls, and not Windsor but Brantford. The number of level crossings per head of population in Brantford is considerably lower than in Windsor and the only reason Brantford was chosen at that point was to try to prop up the then cabinet minister from Brantford, Mr. Dick Beckett, who was recognized to be in a tough campaign for re-election when those re-elections would occur.

That was the only reason. It was purely political. Windsor was dropped and Brantford added not because of the need for railroad relocation but because that seat needed propping up. As it turned out, of course, it needed propping up and the seat was lost by that member of the last House. It is represented very ably now by Mac Makarchuk of our party.

Mr. Lewis: The final irony is that Dick Beckett ran third. All the railroad crossings in the world could not help him.

Mr. Bounsall: They couldn't help him, that is right. It goes on further. As the campaign progressed the Conservatives seemed to be very desperate to gain a seat in Sudbury. The New Democratic Party holds all three seats in Sudbury. The Tories were desperate to make some sort of a breakthrough in the north, particularly in the Sudbury area.

In the early stages of the campaign, it was announced that a fifth city would be added to the railroad relocation study plan, that city being Sudbury, as they desperately tried to prop up the Tory candidate there in an effort to defeat our sitting member, Mr. Germa. That strategy worked as well as it did in Brantford. Again, our member had no trouble holding on to that seat.

Mr. Reid: I wouldn't go quite that far.

Mr. Lewis: And with a wonderful sense of symmetry the Tory candidate ran third. Wherever you make these political interventions you ensure defeat. It is quite interesting, all in all.

Mr. Bounsall: The only very weak comment the ministry made about Windsor and its noninclusion was that it was a border city and it and Sault Ste. Marie had some particular problems, because they were border cities, in having a study done. We know what sort of credibility we can give to that comment.

The choices were made for purely political reasons without any consideration of the needs for railroad relocation. When the Tories make political decisions of that sort, they stand third in those ridings where they make it obvious to everybody what sort of a move that is. One would think they would learn something from that.

They can still look at the facts in the case and decide that those relocation studies should be made in the cities of this province which have the greatest need. There is not a question in my mind that Windsor has the greatest need for railroad relocation and, therefore, it should be on that study list.

In fact, in January of this year, just three months ago, it was found—

Mr. Reid: The member for Windsor-Walkerville (Mr. B. Newman) talked about that last year.

Mr. Bounsall: So did we all. It was found that two of the cities chosen for that study had yet to submit or finalize their briefs. Sudbury and Brantford, the two added in the later stages, had yet to submit their applications; and North Bay was still preparing its draft application. Those three cities out of the five now on the list certainly did not see it as a very high priority for themselves. They were still preparing their submissions as late as three months ago while Windsor's studies and statistics have been ready for some years.

That is how this government conducts business with respect to railroad relocations; it makes its decisions in political ways. It should be reversing that decision with respect to Windsor. It is the government's problem as to which of the other five it doesn't select but I suspect, because of the political considerations, it will be probably either Brantford or Sudbury. Again, those submissions of those eight cities should all be made public. They should be placed side by side and, if necessary, a committee of this House should look those over, hear the arguments and make those decisions.

[12:00]

I gather there is some concern at the federal level that Windsor has not been included because the people at the federal level know that it was Windsor's initiatives over the years which caused them to go ahead with the entire programme and to fund 50 per cent of it. There is some dissatisfaction in Ottawa and rightly so in this case. Often I agree with statements made in this House that there are many positions taken by the Liberal government in Ottawa which are very hard to fathom and one wonders what rationale they use. But in this instance they are dead right in being upset about the decisions with respect to what cities get approved for railroad relocation by this Conservative government here in Ontario.

I don't intend to go on too much longer in my address today except that I must bring to the attention of the House the situation with respect to day care in Windsor and Essex counties. When the supplementary estimates of the Ministry of Community and Social Services came up, unfortunately I was not in possession of the facts with respect to day care as they subsequently were revealed

somewhat later in the city of Windsor and in Essex county. I had requested those facts from the director of municipal welfare in Windsor and subsequently met with him to discuss any and all of the problems which the effect of the cutback to 5.5 per cent by this government in social services, a cutback which I thoroughly deplored, would have upon all of the programmes.

I mentioned my concern about day care in that meeting, which went on for an hour and a quarter, and I was told that there were really no problems anywhere. It subsequently turned out that they had a plan for the municipal day care in centres in Windsor, a plan which would involve letting go completely four out of the 30 daycare centre teachers involved in the five municipal daycare centres. Of the remainder, half of them would take a substantial reduction in salary in order that they be able to comply with the budget cutback and the budget tightness which the Province of Ontario introduced in those cuts.

There were excellent briefs prepared by the concerned supporters of the Essex county daycare centres and presented by one Duane Horton with some further subcommittee members, namely, Suzanne Zakoor, Beth McGee and Dennis Norton. It was a very excellent brief that outlined the need for day care, the type of service that they are providing and some of the testimonials of the people who are involved in receiving day care in the Windsor and the Essex county area. There are some testimonials from parents, some of which I think might be interesting for the House to hear. One parent said:

Our child was slow in speaking. The family doctor recommended a daycare centre to help improve the speech. When our child had to get along with other children, he very quickly began to use words to get his point across and his speech improved drastically.

A separated working mother wrote:

My son has had various babysitters and was an unhappy child. Now that he is at day care he has settled down completely and is a very happy individual; and as well he is learning in that setting and learning to be independent.

It goes on and on. There are some 16 or 18 testimonials, all of which are very important, from parents. Here is another one:

At first I was uncomfortable about sending my child to day care because I felt I should have been able to help him with his particular difficulty. But when I saw how

quickly he improved in the daycare centre, I realized that I could not do for him at home what other children and staff in that daycare group setting were able to provide for him.

[Another one] I feel extremely thankful that there was a daycare centre available since I think I have learned so much about what to expect of pre-school children and I think that I am a better parent and a richer person for having shared with my child in the daycare centre experience.

[Another one] Even though I know I have to work, I have always felt guilty about leaving my child with someone. Now because he is with loving staff and is happy in the daycare centre, I no longer feel guilty about leaving him there.

It goes on and on. The work the daycare centres do in the Province of Ontario—those run by the municipalities, either Windsor or Essex county—and the trained people there are providing an excellent service in the Province of Ontario. It is one we need much more of. I tell members that the cutbacks introduced by the Minister of Community and Social Services, which resulted in staff having to be fired in the Windsor area and half of the rest of the staff having salary reductions, are just incredible and very hard to accept by any users of daycare centres.

The rates per day have had to increase by almost \$2 in Windsor to the point where some parents may have to withdraw their children from the daycare centre for financial reasons. Obviously the need for that service will continue. They will have to put these children in a less congenial, less educational setting, where the staff is not nearly as well trained and where they're not going to get the attention and the group interaction which occurs in our municipal and county daycare centres.

This is quite deplorable. There's no doubt in my mind that the anger directed at this particular government particularly by the workers and, in no small amount, the users—the parents of the children who are in the daycare centres—as they pay the higher fees or have to withdraw, is going to remain. I had a meeting in February with all the daycare workers in the city of Windsor. They're all fairly young women; there are only a few who are older; most of them are very young. They are very non-involved politically but there was no question that as a result of that particular move the government had certainly radicalized a whole group of young people, capable and heretofore not involved politically but certainly involved on a person to

person basis in the city of Windsor. They are people who are very capable of getting involved politically and who, I would suspect, will be. It's not going to be involvement on the side of this government. It's things like that the Tories should be worrying about even if they don't give a damn about the day-care centre programmes which they clearly don't.

One other point I must bring up at this point is the minimum wage in the Province of Ontario. It is regrettable, to say the least, that there has been a difference introduced in the minimum wage for the persons involved in distributing alcoholic beverages in the province. There is no justification for this and it's simply a sell-out to the tourist industry in the Province of Ontario. It's the tourist industry which urged this on the minister and he's been able to sell that to cabinet.

When the government was preparing to change the Employment Standards Act with its first big amendments in the fall of 1974—the first amendments in quite some time—I'm glad to see that the Solicitor General (Mr. MacBeth) is here today. When he was Minister of Labour at that time in preparation for that debate I read all the background papers presented to the ministry in each and every area of that Act in the Ministry of Labour library. Although the government did not make any legislative change to the minimum wage, that study was therein contained.

The study on the minimum wage was very weak on the point of whether or not to have a differential for waitresses. It indicated there was a possibility of this but it didn't really approve or recommend it. That was the ministry study, requisitioned for this government by competent people in the field and that change was not recommended. To find this very retrogressive step taken at this point is simply that the government in its weakness is giving in to a minister who yells the hardest and is not looking at the entire principle of the thing.

The one positive thing which I've always been able to say about the Conservatives in Ontario—and I've never hesitated to say it about the Conservatives in Ontario—is that we may not agree with you in principle on some of the things which you do but by and large you take principled stands. I may not agree with that stand, but you take it from a principled position. This is one area where you were completely unprincipled. You just gave in to the biggest push on you and did not consider the principle therein at all.

Let me turn to another area of the minimum wage. Just on April 14 the minimum wage for harvest workers was announced by the Minister of Labour (B. Stephenson), assuring the Province of Ontario that the minimum wage for workers harvesting fruit, vegetables and tobacco would be \$2.65 an hour, effective immediately. It's a non-announcement because unless they were going to create yet another category at this point for harvest workers in particular, then that would be the wage that would be expected. They are included in the normal general minimum wage. Unless there was yet another announcement, as we had for waiters and waitresses and those serving alcoholic beverages, and yet another category created, this is what one would expect. This was a non-announcement; it didn't need to have been made.

One could perhaps say it doesn't hurt to have this propagated. But those engaged in employing the workers harvesting fruit and vegetables know that they have to pay the stated minimum wage in the Province of Ontario. Last year it was \$2.50; and this year it is now \$2.65.

The non-announcement in its timing was interesting. Shortly thereafter came into my possession the junior agriculturists programme run by the Ministry of Agriculture and Food. This was not a programme announced through the Ontario Experience '76 programme. This is a programme which has come along as a separate one on its own. It's quite incredible. It's going to be open to students age 16 or 17. They've got to be in good physical and mental health and in sound emotional condition. I don't know how you apply that criterion to anyone, let alone students of 16 or 17 who haven't reached maturity.

They're going to be on farms for the period June 21 to Aug. 20 engaged in farming full-time. The farm must be a commercial operation, that is, I suppose, seriously in the business of farming to the point of filing an income tax statement at least. On the face of it so far, that doesn't sound so bad. However, one comes down to the conditions of participation and one starts to wonder about the programme. It goes on to say as part C under the conditions of participation:

Applicants must understand that the hours on a farm can be irregular, depending upon the current activity and the weather. However, 12 to 13 hours from the start of the activity in the morning until it is completed at night are normal.

You've introduced a junior agriculturalist programme to anyone wishing to learn about agriculture who is age 16 or 17 and you tell them they're going to work a 12- to 13-hour day normally.

It goes on to say:

On occasion, these hours can go to 16 or 18 in a single day.

It is all part of the same paragraph. There are the hours of work now for them. It's going to be normally 12 or 13 hours and on occasion 16 or 18 in a single day. They'll be expected to participate in farm activities for 12 consecutive days, then they'll have two consecutive days off. Twelve days at a stretch is rather unusual for any employed person to work, but that's a six-day week on average and perhaps you can't quarrel too much with that.

[12:15]

However, what are they going to be paid? Each agriculturalist, junior agriculturalist, will receive a training allowance of \$16 per day based on a six-day week; \$96 a week is what they are going to receive for that. Six dollars of this will be provided by the Ontario Ministry of Agriculture and Food. Out of the \$16, there is going to be a direct subsidy from this government. The host farmer will pay \$5 per day in cash and he will supply room and board worth \$5 a day.

So the total income which this person will receive is \$11 a day; \$6 coming from the Ontario government; \$5 coming from the farmer and they are calculating room and board at \$5 a day. Let me indicate just how far below the minimum wage that is for a 16- and 17-year-old in the Province of Ontario. Let's say that person receives not \$11 a day in cash, but \$16 a day in cash—you include the room and board as a cash payment. They have already indicated that the normal activity will be 12 or 13 hours a day, and occasionally 16 or 18.

Let's just say that for a six-day period they work only 12 hours a day. The minimum wage for anyone under 18 in the Province of Ontario is \$2.15 an hour. For 12 hours a day, six days a week, this would be \$154.80 a week.

The maximum allowable under the Employment Standards Act that a farmer or anyone providing room and board can deduct per week for room and board is \$32. You subtract that \$32 from \$154.80—these students should be getting as a minimum \$122.80 a week. They are, in fact, receiving \$66 a week. The absolute minimum should be \$122.80, based only on a 12-hour day. This is the minimum

stated in the report directly and allowing the farmer to deduct the maximum amount for room and board. So, in cash payments per week to each and every one of these students you are only shy by \$56.80. You are paying them almost half what is allowable under your Employment Standards Act.

The minister is probably going to reply that with junior forest rangers they are learning as they are going along. Let's not kid us on this. There is nothing in this programme announcement which talks about a type of programme or training which must be given. If the government had set up a true agriculturalist apprenticeship programme in which it says to the farmers employing these persons: "In order to get your \$6 a day subsidy from the Province of Ontario, you have to provide training in this many areas; you must supervise the reading of this material in that particular agricultural area by the students employed there."

In addition, once every two weeks for half a day, students should be taken to the nearest agricultural centre for courses or films on certain areas. Then the government might be able to say it has got some aspect of training in here, apart from just the slugging work which is assigned to them.

But, no, the government has done nothing of that. It is just going to let them go out there and slug away and have minimal training, except what anyone picks up on the job—no matter what that job is.

Hon. Mrs. Birch: The member doesn't approve of the programme?

Mr. Bounsall: Pardon?

Hon. Mrs. Birch: The member doesn't approve of the programme?

Mr. Bounsall: I don't approve of the way in which the government is indenturing people under 18 in this province and the way it is paying for them.

Hon. Mrs. Birch: It is a most successful programme; one of our most successful.

Mr. Bounsall: The ministry is really taking students under 18 and it is indenturing them in a way that should have disappeared and has disappeared in most jurisdictions years ago. The government is paying them almost half of what they should be paid—and they are getting no training. Now, what sort of a programme is that? It is worse than a non-programme. It is a blatant ripping-off of the young students in this province who may be interested in agriculture. The government is exploiting them in a shameless way.

Hon. Mrs. Birch: Not at all.

Mr. Bounsall: It has its own law as to the minimum wage for someone 16 or 17, which states, if they work on a farm, the maximum that can be deducted for room and board and when we put those together it is paying them almost half, a bit more than half, of what would be allowed. The government is breaking its own laws on the basis of the fact that it is going to say there is a training component in it. It has laid down no training programme for those persons involved in that programme at all; nothing is laid out to the farm employer as to what he must do to see that those workers are covered. It has made no attempt at all. It would be useful in Ontario to have an agriculturalist apprentice programme, junior or otherwise, but the government has not even set its mind to that at all.

It is a programme which I certainly wouldn't recommend anyone mildly interested in going into agriculture to go into, because it is certainly one which will turn them off and, believe me, 16- and 17-year-olds know the value of their labour in this province.

Hon. Mrs. Birch: The same can't be said for a lot of the members' colleagues. They are most anxious to get students in their area into those programmes.

Mr. Bounsall: It is a programme which is indefensible and the minister should be ashamed to be participating in it.

There is one last comment I would like to make, and it is one which I will deal with in some more depth later on, but that is how abhorrent the particular part of the budget was where it dealt with the productivity of the auto industry in the Province of Ontario. For most of the plants in Ontario, certainly any of the newer ones—it most certainly applies to some of the renovated facilities in Chrysler's at Windsor, their new truck plant there; it occurs with the Pinto and Maverick Ford plant in the St. Thomas area, and, by and large because of the flexibility in changing from one line to another, to the Ford plant at Oakville.

The productivity in those plants, on a plant-by-plant basis, is greater than the productivity on the average of auto plants in the United States. For the Treasurer to indicate in his report that the auto industry, in terms of having our fair share of the auto pact, is losing because of the productivity in the Province of Ontario is just hiding behind the facts. For at least close to the five years I have been in this House now, this govern-

ment, with more than 40 per cent of the work force in Ontario tied in some way to the auto industry, has never ever put forcibly to the federal government that it should be taking a strong stand in terms of the companies living up to the agreement in that original auto pact agreement.

I have made two very long and major speeches in this House, of almost an hour apiece, once in 1972 and once in 1974, on the auto pact and what this government should be urging the federal government to do with respect to that. I do not propose to repeat those speeches here this morning, Mr. Speaker, but I can assure you that the productivity is not as outlined in the budget. We are not lower on average in productivity than the auto plants in the States.

The whole purpose of the pact was to equalize opportunity and make it have the same percentage in dollar value of cars produced in Canada as cars sold in Canada. We still run roughly 25 to 30 per cent behind meeting that quota. It is getting worse rather than better. The whole purpose was equalization. After we make allowances for taxes and dollar rates of exchange, we still run in Ontario \$200 to \$300 higher on the smaller models of cars and \$700 and \$800 higher on the larger models of cars. They're much more expensive in Canada and Ontario than in the States, and there is no justification for that.

All that's occurring there is that auto companies have decided they will continue to maintain that price differential so that all the expansion which took place shortly after the auto pact was introduced would be paid for by the consumers of Canada and the consumers of Ontario. All that expansion would be paid for by the additional price we have to pay for automobiles and there is absolutely no justification for it.

At one time, four or five years ago, they fell back to the old statement, "We have some higher costs. We have the translation into French of our advertising brochures and our advertising for the media." Taking the year 1971, which I did for purposes of calculation for my 1972 speech, the total outside cost of those additional translations would have added 10 cents per car—10 cents per vehicle—not in the vicinity of \$200 to \$700. They simply don't have a justifiable argument whatsoever.

This government should be urging the federal government to start being very tough with the auto-makers and to live up to the agreement of the auto pact. Or one simply uses as a threat something which the auto

companies won't want at all, the idea of removing the conditions of the pact on free transfer between countries and across the borders. This has achieved great savings in efficiency for the four companies involved and they don't want to lose that efficiency. As I see it, we have all of the bargaining power if we choose to use it in the auto pact arrangements.

ROYAL ASSENT

Mr. Speaker: I would like to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in her chambers.

Clerk of the House: The following are the titles of the bills to which Her Honour has assented:

Bill 27, An Act to amend the Ontario Municipal Employees Retirement System Act.

Bill 41, An Act to amend the Public Utilities Act.

Bill 43, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Bill 56, An Act to amend the Dead Animal Disposal Act.

Bill Pr2, An Act respecting the Township of Wicksteed.

Bill Pr3, An Act respecting the Borough of Scarborough.

Bill Pr4, An Act respecting the Township of Nepean.

Bill Pr8, An Act respecting the Borough of York.

Bill Pr10, An Act respecting St. Andrew's Church, Ottawa.

Bill Pr22, An Act respecting Welland Area YMCA-YWCA.

BUDGET DEBATE

(continued)

Mr. Speaker: The hon. member for Renfrew North.

Mr. Renwick: I thought he had just spoken.

Mr. Grossman: It seems like that.

Mr. Conway: Given my natural—

Mr. Renwick: It seems like no time.

Mr. Speaker: Order, please. The hon. member for Renfrew North has the floor.

Mr. Ruston: We will hear some words of wisdom now.

Mr. Grossman: We finish at 1 today—it's 1 o'clock now.

Mr. Renwick: Every other week.

Mr. Conway: I am at your service, Mr. Speaker, if and when the hon. gentlemen to my right decide to become more co-operative. I would, with respect to the hon. gentlemen to my right, like to continue on behalf of and in the interests of young students as was so eloquently expressed by the previous speaker from Windsor-Sandwich.

I would like to begin, Mr. Speaker, by congratulating you and your colleagues from Northumberland (Mr. Rowe) and from Lake Nipigon (Mr. Stokes) for the efforts which you so very successfully put forward on our behalf. There are days when one has to have no little bit of sympathy for the very arduous task and position in which you find yourself, given the particular willingness of this ministry to pay special attention to the parliamentary traditions for which we all have very great respect.

I am very much impressed, I might add, by the presence of the ministry here today. I was thinking, listening to the previous speaker, that there is a certain complexion to that front bench today which is indeed impressive.

Mr. Warner: It's a beautiful front bench. It is impressive.

Mr. Conway: One looks at it and thinks that now one has some sense of what it might be to be part of the Conservative machine. That must surely be represented by that fine and spectacular array of the front bench, as it reveals itself with all these nice blue velvet or blue-backed seats. That must be what the back seat of the "big blue machine" looks like. At least, the thought would at least enter my mind in perhaps a cynical way.

[12:30]

Mr. Grossman: It is the same as the front seat of the red machine.

Mr. Ruston: And the green machine.

Mr. Conway: And happy we are to have Coach Grossman from St. Andrew-St. Patrick with us today, particularly because I know that, while those of us who prepare for matters like budget speeches are busy, he must, I'm sure, be in the final draft of that long-awaited resignation which he has proffered on more than one occasion to this august assembly.

Mr. Warner: Is that a promise or a threat?

Mr. Conway: And I am sure the hon. member is still contemplating saying it.

Mr. Grossman: Will you be here to hear it, though?

Mr. Conway: The business of the budget speech is one of very particular interest. I am impressed naturally by the sharp focus and concentrated interest of the presentations made by our members. Clear it is that the budget speech, like the Throne debate, is one where one simply deals directly with matters relating to the budget and the Throne Speech. And so I will be similarly very precise and specific in my references.

I think, as a new member, one who has had opportunities now for seven months to watch the financial operations and theoretical dispositions of the McKeough-Davis team and record, the events of April 6 were not at all surprising. It is certainly impressive, I think, that we have with us a Premier and a Treasurer—if not in presence now, certainly in spirit—a pair of individuals who have managed with a remarkable degree of consistency to introduce a new twist to Keynesian economics, you might say, given their rather impressive and consistent tendencies towards deficit budgeting in the last four years.

I watched the hon. member for Chatham-Kent (Mr. McKeough) and he certainly puts one in mind of many things. I was talking to the good doctor from Parkdale just a few moments ago, and I was asking him for his wisdom and advice, because I was thinking that there might be some Shakespearean connection between Darcy McKeough, his budget, Hamlet, poor Yorick and John Maynard Keynes, and all of those various connections. But the good doctor informed me that that would be more than an oblique connection and one which of course I would not pursue.

But thinking of what else the Treasurer might remind me of, I am impressed by his style in this assembly, given the budget and many other presentations. He looks like R. B. Bennett, he sounds like R. B. Bennett, his heels have an iron quality not unlike R. B. Bennett, he has the unique and interesting approach to parliamentary discussion predicated on the very interesting premise of when in doubt shout. And that is not without its merits and is something which I, as a new member, am very impressed by. I would that the Treasurer would face a happier fate than the former Viscount of Calgary and whatever.

The budget in all its professions for restraint and whatever is clearly a copout opera-

tion. Quite obviously, the dictum of restraint being offered by the ministry of the present day is one which all of us accept. The question that has to be asked, I am sure, is restraint of what? It's restraint clearly of the administration and the expenditures which this 33-year-old government has allowed to get completely out of control. I, for one, am happy to see the ways of the drunken sailor, financially at any rate, are acknowledged by this particular government and I, for one, am very happy to join with them in the consideration of a control of that particular habit.

The Treasurer is telling us that indeed we must as a government and as an assembly be sensitive to the fact that we are now running into the fifth year of deficits. He happily tells us that, given all of this, he is going to spend almost \$1 billion more than he can or will collect this year. That is an interesting comment on his own attitudes. Clearly, the gentleman from Chatham-Kent is an aging conjuror quite cognizant of the fact that the rabbits have all escaped the hat and that he is now faced with the rather regrettable and regressive habit and recourse of going to people on OHIP—

Mr. Warner: And he is going to lose the hat too.

Mr. Conway: And he may very well lose the hat. They'll be passing the hat, I'm sure, among their friends in the not-too-distant future to accommodate their interests in more than administrative purposes.

The business of OHIP is one to which many speakers have addressed themselves and one on which I would like at this point in time to make a brief comment. People in my particular riding have expressed their chagrin about this particular tendency. It's one which the member for London North (Mr. Shore) took no little bit of pain to draw attention to in his fine remarks of last week.

There is the whole business of the non-corporate OHIP groups, municipal workers, school board employees, hospital workers and government employees. These employees do not have the benefits of tax write-offs to which the budget refers. This is yet another way in which the government is foisting increased expenses on the shoulders of others. While benefits might not amount to a tremendous increase in the budget of a school board, municipality or university, an additional unexpected expense of anywhere from several thousands to several hundred thousands of dollars can be a very real problem, especially in view of the reduced provincial

assistance, and that's a matter to which I'll return very shortly.

The budget claims that on average 88 per cent of OHIP group payments are employer contributions. When the Treasurer (Mr. McKeough) decided to increase OHIP premiums, was he not aware of the additional burden which this move would place on already hard-pressed municipal and hospital budgets? Was he not aware that, based on 1974 figures, 73.2 per cent of municipal agreements, covering 92.6 per cent of municipal employees, had provision for 100 per cent employer contribution towards OHIP, and that 37.6 per cent of hospital agreements covering 49.6 per cent of employees also provided for 100 per cent employer contributions?

In the case of Metro Toronto, for example, the additional added expense has been estimated at anywhere from \$400,000 to \$700,000. The problem is, of course, that there are over 32,000 OHIP groups, and to come up with an accurate estimate of employer-employee contributions to premiums, a review of all provincial agreements would have to be undertaken. Some of these groups might well be outside union agreements. We would be interested—and I certainly would be interested—to know on what basis the government's figure of 88 per cent was estimated. Were all groups taken into consideration, or just a selected few?

What about the OHIP groups not involved in collective agreements? The budget states, "that an increase in OHIP premiums will be a point of negotiation in future collective bargaining," and contracts could bring lower levels of employer contributions which would increase the individual taxpayers financial problems in these days of high inflation. A spokesman for an organization pointed out that many of the non-group subscribers are elderly people with special health problems who are particularly heavy users of semi-private coverage, something on which the budget also had a great deal to say.

No doubt these same people are in many instances pay-direct subscribers to OHIP who will bear the full brunt of the increased OHIP premiums. I don't think there is any doubt of this, based on the early returns from my constituency. Does the Treasurer honestly feel he can justify the fact that these people will be especially hard hit by his budgetary measures?

On the point earlier about what the impact of the situation is with respect to individuals and particularly institutions, I was very impressed to read the April 9, 1976, communi-

cation from the office of the executive director of the Ontario Hospital Association. This is a newsletter sent to the members, and with your indulgence, Mr. Speaker, I'd just like to read one or two paragraphs from that particular newsletter. Under the title of "Hospital Tax Collectors," the newsletter from the Ontario Hospital Association's executive director reads:

There was little cheer for hospitals in Tuesday's provincial budget. On the one hand, they found themselves cast by Mr. McKeough in the role of tax gatherers required to collect stiff new surcharges from private and semi-private patients. On the other, they saw themselves being hit hard by having to pay 45 per cent higher OHIP premiums for their own employees out of budgets already severely constrained.

Whereas hospitals have hitherto received half of the private and semi-private revenue for additional needs such as capital and renovation programmes, new equipment and repayment of loans, the government will be claiming all of the latest surcharges to offset their new OHIP standard ward costs.

Hospitals will continue to retain half of the present rate; that is, \$3.75 a day for semi-private and \$6.00 for a private room. There are real concerns that the OHIP premium increase will have to be translated into still more layoffs for hospitals as with other public sector employers on rigidly-controlled staff budgets.

One hospital, paying 90 per cent of employee OHIP premiums already has calculated that its billing will go up by \$81,000 for this year, the equivalent of eight employees.

It is clear from this newsletter where that \$81,000 is going to come from. And so it is that the hon. Treasurer blithely suggested to us that, really, when you take everything into consideration institutions and individuals are certainly not going to in any real way suffer from this government's testament to restraint as evidenced in this particular budget.

Mr. Warner: It is nonsense.

Mr. Conway: Nonsense it certainly is, says the member for Scarborough-Ellesmere; and I couldn't concur with him more heartedly. It is interesting, on that particular point, to note that individuals are not going to suffer, according to the Treasurer's admissions in this budget two weeks ago.

Like many members of the assembly, I took it upon myself to read the national paper this morning, and I was impressed by the headline. The *Toronto Globe and Mail*, Friday, April 23, 1976, has as its headline: "THE \$150-A-WEEK MAN WHOSE TAX RATE IS HIGHER THAN A MILLIONAIRE'S."

It is interesting, and I would certainly recommend this piece of literature to our illustrious, agreeable and very concerned Treasurer, because in this particular article there is, I think, no little bit of testament to the hypocrisy of his remarks two weeks ago.

Mr. Warner: We have known about it for years.

Mr. Conway: It is the Gordon Chateau case in which we see one specific individual being processed, if you will, under the new regulations of the Ontario budget scheme.

First of all, here are some of the particulars for those hon. gentlemen who have not had a chance to read this particular article. I see and happy I am to have with us the hon. Minister of Community and Social Services, who I know shares with me a deep-seated concern for this kind of affair.

The individual about whom the article makes reference is a recent immigrant from the Caribbean, who makes \$150 a week working for a service station. As a result of this very humanitarian budget, this particular gentleman faces paying \$384 in OHIP premiums to obtain what I think we all agree to be, and understand to be, a very essential service in health care for himself, his wife and his two sons.

The Ontario government OHIP premiums, plus federal and other provincial taxes, will make this particular man and his family—and other Ontarians like him—the most heavily-taxed in their income bracket in Canada. Where now is the hon. gentleman from Chatham-Kent who has an unusual predilection and liking for comparative politics. Much to my surprise, he has not introduced some measure of comparison between himself and Idi Amin's budget of last year. I am surprised that that hasn't come into this assembly, because just about every other possible comparison however silly and erroneous has been made.

[12:45]

The article says:

Put another way [The Treasurer's] budget has left the Chateaus in the unenviable

position of having to pay \$661 of their last \$1,000 income to Ottawa or Queen's Park. That 66 per cent tax rate is higher than that faced by a millionaire, whose highest tax bracket is 62 per cent.

Oh, Ontario, what a place to stand. And how happy we are that the hon. gentlemen opposite, particularly the member for Chatham-Kent, have appreciated that indeed it is a time for strength. It is still a time to do things for people. How those slogans now visit upon us a sense of genuine commitment to the average man of this great province.

It's a time for strength, indeed. It's a time for this government and this Treasurer to understand that to shout and to doubt, to posture and to carry on in his inimitable and theatrical way, is one thing; but, on the other hand, as the Minister of Community and Social Services (Mr. Taylor) will happily appreciate, it is quite another thing to put low-income families, not only in downtown Toronto but in Renfrew North and throughout Ontario, in this extraordinary and most unenviable position. Indeed, it is a budget that hurts few in a very minor way.

The initial returns, as I said earlier, are beginning to come in, and the indictment that is beginning to pile up is one which I am sure this party, which once promised basic security from the cradle to the grave, now can take very little comfort in. The cradle, quite obviously, they have forgotten; the grave, quite obviously, they face in political terms—if that kind of proposition is allowed to continue.

What about municipal finance? Oh, how happy the municipalities are with their great friend from Chatham-Kent, who began his illustrious cabinet ministerial career with the Municipal Affairs portfolio. He is a long-time friend of theirs. They tell me all the time, "You know, it's good to have friends, but then there are other friends," and the Treasurer is one quite unlike any other they have known or hope to know. From Pembroke to Sarnia, from James Bay to Scarborough-Ellesmere, there is no little bit of unhappiness about what this government has done to help the municipalities handle the responsibilities taken away from them by the hon. gentleman from Chatham-Kent, who is understanding of what it means to share the burden, if not the wealth. Very sympathetic and very understanding is he. Yes, my good friends in eastern Ontario tell me they really are impressed by the kind of ongoing concern that the King of Kent has for their municipal finance problems.

Mr. Lewis: We used to call him the Duke of Chatham. The Duke of Chatham has become the King of Kent.

Mr. Kennedy: That is progress.

Mr. Lewis: Quite an elevation.

Mr. Conway: Quite obviously there's a certain element of kingship vested upon that man, given, as the hon. member for Scarborough West well appreciates, the galaxy of stars within which he finds himself in cabinet terms. It's not, I think, too much to suggest that, given that group, he could be and is in fact a king—

Mr. Lewis: Given that group, he's not even mortal.

Mr. Conway: Such are the footnotes to the personalities of the great ministry opposite.

But I want to go on record as registering my very strong objection to the cutback in funding going to municipalities in this particular year. The reason I feel so strongly about this is because of an agreement made by the Hon. John White at the tri-level conference held in Edmonton. This, of course, has become known as the Edmonton commitment.

Mr. Reid: On which he has reneged ever since.

Mr. Conway: Rumour has it he has been spotted over at the Westbury Hotel with three jackets on.

Mr. Reid: Are revenues going up only eight per cent?

Mr. Conway: He has not only pulled in his belt, but he has decided that it's time really to put on that extra sweater and bear the brunt of these difficult times.

It's interesting to quote just briefly from that position paper on public finance proffered by the hon. and former member for London South who, for whatever reason, is no longer with us today:

The Ontario government therefore gives this guarantee to its local governments. Provincial assistance in future years will grow at a rate not less than the growth rate of Ontario's total revenues.

From this, I certainly might infer that to pass on to the municipalities in any account to lower the provincial growth rate of revenue is clearly contrary to the plan's basic principles.

However, in keeping with the province's restraint programme this year whereby their

expenditure increase is limited to an increase of 10 per cent, the funds to municipalities have been cut accordingly. The province is claiming that, due to an overpayment last year, it, the province, does not need to give municipalities the full growth rate of 19.4 per cent. By granting a 7.8 per cent increase, the government feels that due to the previous overpayment on a cumulative basis, the government is adhering to the Edmonton commitment.

That's the kind of contorted logic that I expect the hon. Premier (Mr. Davis) to take to the Quebec conference, whenever it is, to redesign and repatriate the constitution and all of that. It's a contortion, a contradiction and a confusion of the like that only that particular ministry is capable of, and I expect to see a great deal more of.

I like the reference to "overpayment" again. It says many of the new members have found that half the family benefits cases which you're probably dealing with today relate to overpayments made here, there and for a variety of other reasons. It's very happy to find that the higher levels of government behave in a similar fashion. There is one important factor to consider in this area of municipal financing, particularly with respect to the Edmonton commitment.

The transfers to municipalities are based on provincial revenues. Last year was, as I recall, an election year, if I recall properly. The Conservative government of Ontario in its eternal wisdom decided to stimulate the province's economy by a number of non-partisan administrative measures which reduced a fair level of revenue for whatever reason. These included such innocent things as the reduction in the retail sales tax from seven to five per cent, introduction of a first-time home buyers' grant of \$1,500, which the hon. member for Sault Ste. Marie (Mr. Rhodes) has told us has been no little bit of a success, and an automobile sales tax rebate.

Mr. Warner: They're called gimmicks.

Mr. Conway: Now that is a terrible thing to have to say and I don't think I could ever in my most cynical hour bring myself to say such a nasty thing about such a good-meaning ministry. But I think you might leave the impression that an effort was being created to leave in the mouths of Ontario electors a good taste for a government that had problems over the past little while.

It's interesting to see now in this year what the Treasurer is telling us about what we have to do to recoup earlier losses. It was interesting to hear the hon. member for

Windsor-Sandwich (Mr. Bounsall) tell us how and why it is that certain things were done in railroad relocation in his area and in Brantford and in Sudbury, because I can well appreciate coming from the non-partisan part of eastern Ontario that this government does things in an election year with a certain element of peculiarity which, as my hon. colleague has inferred, might leave room for cynicism which I, of course, could never bring myself to say.

The same programme, it has been said, and it's much of the keynote of the Treasurer's statement, has no impact really on much of the quality of life in Ontario-ario. Well, it's not Wintario anyway.

Mr. Moffatt: A place to stand.

Mr. Conway: A place to stand. It depends, I suppose, with whom you are standing and I regret that my very good friend from Lambton (Mr. Henderson) is not here to stand beside me and share with me the largesse of this marvelous jurisdiction.

In Renfrew county which, in education terms has the lowest per student assessment base in all Ontario, one practical result of the budget and the restraint programmes in Pembroke has been the discontinuance of Champlain High School's registered nurses' assistants programme. There has been for a number of years a very successful programme—one, I think, of only two or three such programmes in Ontario high schools—which has taken into its course each year, beginning in grade 9, something in the order of 22 students who, in the course of four years, are educated in such a way that they can graduate and enter the job market, as it were, without having to go to a post-secondary institution.

By all accounts, the Renfrew county Board of Education, together with officials from the ministry, have argued that this has been a most successful programme because, in an area of significant employment difficulties, it is one place where you can see within the direct operation of the educational system a direct translation between money and expenditure and effort and job opportunity.

What has happened in the Renfrew county educational situation? This programme has been discontinued in the name and honour of, and as a tribute to restraint. I can tell members in a very serious way—

Interjection.

Mr. Conway: —I am happy to see here the member for Parry Sound (Mr. Maeck) who is parliamentary secretary to the Min-

ister of Education—I can tell members that there is a very direct result of the restraint programme which is telling these 20 people in the Pembroke area that they are not going to have the opportunity that many of their colleagues have had for at least five to 10 years. That job opportunity has meant very much to a town, for example, which has two fairly substantial hospitals in which many of these graduates found jobs directly. They no longer have that opportunity.

The design for development in Renfrew county goes on to say, in its eloquence, that there are situations in our particular part of Ontario which are less than a tribute to this government's efforts in the job market locally in eastern Ontario. I want to go on record as regretting this set of circumstances. It grows directly out of this restraint programme and if this is where this government feels compelled to cut back and to reduce, it must be prepared to reap the whirlwind locally because it cannot stand up and successfully endeavour to take credit for making a serious effort to provide jobs for those people in this particular area who would have had jobs almost assuredly in that registered nurses' assistants programme.

It's one small example of how, in my county, the restraint programme of this government, as evinced in this budget, has borne down on 22 people in the city of Pembroke.

As a man given to brevity—

Mr. Moffatt: When did that start?

Hon. Mr. Welch: You have been on the road to Damascus.

Mr. Grossman: Is that still you speaking?

Mr. Conway: —and co-operation and agreeability and all the rest, I think, it now being almost 1 o'clock, I should perhaps be prepared to take advantage of this hiatus, if I might, in my brief remarks to suggest an adjournment of the debate for today.

Mr. Conway moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment of the House, I assume that the order of business for next week is understood by virtue of the arrangements that have been sent around.

As far as Tuesday afternoon is concerned, which is legislation afternoon, we will simply carry on with the consideration of legislation as it appears on the order paper. I think we have to clear up Bill 9 in committee. There has been some general agreement to

bring Bill 25 back to committee, which we will accommodate on Monday, and then carry on with the order paper.

The estimates will proceed as they have been set out.

Mr. Reid: We are not sitting Monday night?

Hon. Mr. Welch: No, no House on Monday night.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 1 p.m.

APPENDIX

(See page 1618)

An answer to a question was tabled as follows:

18. Ms. Bryden—Inquiry of the ministry: What was the total cost of the Special Programme Review, including payments to members of the review and support staff, advertising costs, printing costs, meeting costs and other disbursements on behalf of the review?

Answer by the Treasurer:

The total cost of the Special Programme Review amounted to \$77,977.17.

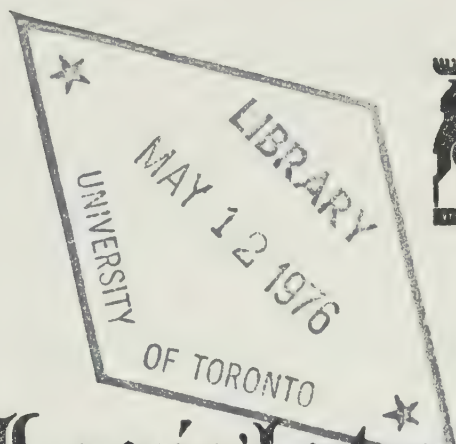
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Government
Publications

Legislature of Ontario Debates

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Third Session of the 30th Parliament

Monday, April 26, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

MONDAY, APRIL 26, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

HIRING OF CANADIAN PERSONNEL BY UNIVERSITIES

Hon. Mr. Parrott: Mr. Speaker, I would like to inform the Legislature about developments in the matter of the citizenship of faculty at Ontario universities.

Because of the concern expressed by hon. members of all parties, my ministry has been monitoring the citizenship of new and existing faculty members through the data provided by the universities to Statistics Canada. Following receipt of the latest data from Statistics Canada for 1974-1975, I discussed the number of foreign professors being hired with representatives of the presidents of the universities and expressed my concern that little or no progress had been made.

I am pleased to report to the House that the university presidents have responded constructively to the concern about the low percentage of newly appointed professors who are Canadian citizens by establishing the following new procedures to govern appointments:

1. Each faculty opening will be properly advertised.
2. The procedures employed in the review of candidates will result in fair consideration of all Canadian applicants.
3. The qualifications for the particular post will be clearly identified.
4. Each president will be personally responsible for the implementation of this agreement.

Strict adherence to these procedures will ensure opportunities for qualified Canadians to compete for appointments. I have emphasized to the presidents that these procedures must significantly improve the performance of the university system in hiring Canadians.

The universities noted that the citizenship data provided to Statistics Canada on professors already on staff was not being revised each year and was, therefore, not accurate

because a large number of foreign professors had become Canadian citizens. All the universities have updated their citizenship file by canvassing each faculty member to ascertain current citizenship and to establish an accurate base year. In future years this updating will be done automatically.

Before the update, the figure for the system in 1974-1975 appeared to be 66.5 per cent. I can now report that in 1975-1976 71.7 per cent of the faculty members at Ontario universities were Canadian citizens. These figures by institution are: Brock 67.1; Carleton 74.4; Guelph 73.3; Lakehead 75.2; Laurentian 82.1; McMaster 63.2; Ottawa 78.8; Queen's 77.9; Toronto 72.8; Trent 70.6; Waterloo 68.3; Western 72.7; Wilfrid Laurier 80; Windsor 63; York 62.1.

The five per cent improvement is due almost entirely to foreign professors taking out Canadian citizenship. It is encouraging to note that so many professors who came to Canada in the 1960s have chosen to make a permanent commitment to this country by obtaining citizenship. We should not lose sight of the fact that many students would have gone without post-secondary education if these professors had not been recruited.

It is also true that our universities have also made a permanent commitment to foreign professors by granting them tenure. I believe that this might lead such individuals to obtain Canadian citizenship as a reciprocal expression of confidence.

If present trends continue, and there are good reasons to believe they will, two per cent or three per cent of the existing faculty each year will obtain Canadian citizenship.

For 1975-1976, the percentage of new professors appointed who were Canadian citizens was 63.5 per cent, which is about the same as it has been for the previous two years. The figures by institutions are: Brock 50; Carleton 48.6; Guelph 54.8; Lakehead 73.2; Laurentian 80.4; McMaster 54.2; Ottawa 70; Queen's 73.7; Toronto 64.9; Trent 50; Waterloo 45.6; Western 68; Wilfrid Laurier 63.6; Windsor 60; York 70.

The hon. members will note there is a very wide range among the universities. Some institutions have made a commendable effort

to recruit Canadians and I am sure that in future years this policy will bear fruit as these promising young Canadian academics reach intellectual maturity. However, the performance of other universities demonstrates a failure to respond positively to a longstanding concern.

The percentage of Canadians hired by all the universities is eight per cent lower than the percentage of Canadians already on staff. Only one institution hired a larger percentage of Canadians than it already had. This means that 14 universities might have experienced a decline in the percentage of Canadians on faculty if some foreign professors had not obtained citizenship.

The percentage of Canadians joining the professoriate in Ontario needs to be substantially increased. In my meetings and correspondence with the university community this has been my message.

At the moment the universities are in the midst of making appointments for the 1976-1977 academic year. The universities have agreed to provide data on the citizenship of the new appointments by the end of this September. Our position on this matter will be greatly influenced by this data.

Mr. Speaker, the federal government is also concerned about the number of foreign professors entering Canada. Currently, foreigners with a job offer from a Canadian educational institution are exempted from the usual immigration procedures and can enter Canada freely. The federal Minister of Manpower and Immigration, Robert Andras, has invited provincial ministers with responsibility for higher education to participate in a review of this exemption. We welcome this opportunity to participate in this review because it is obviously advantageous to have a co-ordinated national policy.

I am sure hon. members would agree we must not fall into the trap of becoming chauvinistic and isolationist. This can be avoided by ensuring our policies accommodate arrangements for visiting professors and exchange professors. This should become the pattern for keeping up to date with international scholarship, rather than the massive importation on a long-term or permanent basis of foreign professors.

Some sceptics have claimed it is too late to Canadianize our universities. The fact is, however, that Ontario universities hire between 800 and 1,000 faculty members each year. These represent about eight to ten per cent of our total faculty complement. If a substantial percentage of new appointments—

well in excess of the existing 72 per cent Canadian—were to be Canadian in future years, then progress would be made.

In order to accomplish this, the universities must ensure that they plan and manage their graduate schools to produce enough highly qualified people to staff the professoriate. In 1974-1975, Ontario universities awarded about 1,000 doctorates. A compounding factor is that only 54 per cent of these were to Canadian citizens. The reasons for this are complex and varied, however, the result is that in some disciplines not enough Canadians are available. I am urging the universities to review carefully the trends to ensure that Canadians are not being denied opportunities for graduate training.

We have a commitment from the university presidents to improve their procedures. We have seen the improvement achieved by the naturalization of foreign professors. We have an accurate base year for citizenship data and a mechanism for rapid updating each year; and, we have insisted for the last five years that when university boards of governors are reconstituted they be composed entirely of Canadian citizens. These facts, combined with this statement of government policy, provide the basis for optimism that the universities will improve their performance in hiring Canadians.

I am sending copies of this statement to the chairman of the board and the president of every university to ensure that the government's expectations are clearly understood. I am sure that these expectations are shared by the public. As responsive and autonomous institutions, universities must respond to a greater degree than in the past.

As I mentioned earlier, we will have the data on the 1976-1977 appointments by the end of this September. If at that time a tangible improvement is not evident, then we will be forced to consider a variety of sanctions to strengthen the universities' resolve in dealing with the problem. The experience of the next five months will determine if more direct action is to be taken.

[2:15]

ONTARIO LIBERAL PARTY PRESIDENT

Hon. Mr. Davis: Mr. Speaker, before the oral question period I know the members on this side of the House would like me to express our congratulations to the member for Rainy River (Mr. Reid) on his new role as president of the Ontario Liberal Party, which I understand is separate and distinct

from the Liberal Party of Ontario, which is now defunct.

Interjections.

Hon. Mr. Davis: I know that he will give a great deal of commitment to his new responsibilities. He might begin by advising his leader that the policies of the Rt. Hon. John George Diefenbaker were popular for quite some time in the Province of Ontario, a fact that may not be known to him.

Hon. Mr. Rhodes: Are you federal or provincial, Pat?

Hon. Mr. Davis: On a personal note, Mr. Speaker, I'd like to advise the member for Hamilton West (Mr. S. Smith)—

Interjections.

Hon. Mr. Davis: —that I didn't receive an invitation to Keith Davey's birthday party, a fact which distresses me as much as it does him, I'm sure.

Mr. R. S. Smith: The government wouldn't let you go anyway.

Mr. Speaker: Oral questions; the hon. Leader of the Opposition.

Mr. Lewis: Mr. Speaker, we in the New Democratic Party are happy for the member for Rainy River (Mr. Reid) that the Liberal-Labour Party has finally come into its own. It's a long evolution but a happy one.

HIRING OF CANADIAN PERSONNEL BY UNIVERSITIES

Mr. Lewis: A question, if I may, of the Minister of Colleges and Universities based on his pleasing statements. It's in two parts: First, can we have a guarantee in the Legislature that the statistics, university by university, will be tabled formally year by year from here on? Can the minister also explain to us how the severe cuts in post-graduate training which characterize the restraint programme this year can do anything other than prejudice the emergence of a greater number of Canadian professors?

Interjections.

Hon. Mr. Parrott: The answer to the first question is yes. That was one of the points I made with them. I thought in fairness to the system, really, that it should be a very accurate and yearly updated statement and I'm prepared to commit myself and this govern-

ment to this presentation of the facts to the Legislature.

On the other part of the question, I think the member's information is incorrect. We have indeed frozen the number of positions in graduate training this year but we have not reduced the numbers. The BIU value for each graduate position will increase; the number of BIUs to be generated by graduate training has not been, nor will it be, reduced this year.

Mr. Martel: A supplementary: In view of the fact that the select committee recognized there had to be an increase in funding for graduate studies and Canadian studies in order to prevent what occurred in the 1960s from recurring, is it this government's intention to add additional funds to graduate studies to guarantee that doesn't occur?

Hon. Mr. Parrott: As the member well knows, we were increasing funds to graduate schools in the last years since the select committee reported. This year, it's an increase in funding; it's not an increase in numbers. I think, given that fact and the need for review, which is a part of the recommendations at the same time, that is—

May I make that a little clearer? There is both a freeze and a review mechanism and one without the other would not be nearly as valuable. Given both a freeze and a review, with increased funding for students, I think we have allayed the member's concerns.

Mr. Sweeney: Mr. Speaker, a supplementary of the minister: I noticed the figure he gave us was something like 71 per cent for all professors but the information I have is that as of Oct. 1, 1975, the percentage for social sciences faculties is only 64 per cent. It strikes me that that is much more significant, in a particular faculty of that nature. Is he taking this into consideration? Is he giving special attention to certain faculties over other faculties because they have a greater impact upon what the universities are supposed to be doing?

Hon. Mr. Parrott: I think it would be incorrect, at this moment, to attach too much importance to one aspect in itself.

Interjections.

Mr. Reid: That is the whole point.

Hon. Mr. Parrott: I think we must definitely have a very accurate base year and that's what we've established. I was not convinced in the past that the statistics from Statistics Canada were accurate enough, not for reasons of

attempting to obscure information, but many details which Statistics Canada want—for example, the rounding of numbers which isn't appropriate in such detailed information—led to some misconceptions. I thought the important thing to do was to establish a base year. Given that, and given a very clear statement that we will look at the total picture, I think then we will respond, as I indicated in my statement, about the various questions as they pertain to the total picture rather than one at a time.

Mr. Speaker: The Leader of the Opposition.

Mrs. Campbell: A supplementary, Mr. Speaker.

Mr. Breithaupt: A supplementary.

Mr. Speaker: The member for St. George with a final supplementary on this.

Hon. Mr. Davis: Ladies first.

Mrs. Campbell: Can the minister advise me as to whether or not there has been discussion with the presidents as to the prerogative of heads of departments to choose as between the finalists, as it were, in the competition for the jobs? Is he aware of the fact that in the matter of the department of sociology and the department of music at the University of Toronto, where there have been Canadian applicants, the prerogatives have been exercised by heads of departments so that the advertising might not be very effective?

Hon. Mr. Parrott: I will be pleased to supply the hon. member with a copy of this statement, and I think on page 2 it very clearly identifies the position and the commitment from the presidents of the universities. We recognize that perhaps there wasn't a fair enough system of advertising positions. We have discussed this problem with the presidents of the universities and they have given me the commitment that they will take it as their personal responsibility to see that a full opportunity will be given to all Canadians who apply.

HOSPITAL CLOSINGS

Mr. Lewis: A question of the Premier if I may, Mr. Speaker: Is it not time that he intervened personally with the senior civil servants in the Ministry of Health to see if they could somehow overcome their inclination to error in the activities they pursue, particularly since there is now the very embarrassing question of the way in which the

ministry endeavoured to close the hospital at Durham, running directly contrary to the specifics of the statutes passed by this Legislature?

Hon. Mr. Davis: Mr. Speaker, I don't want to get into a discussion of a matter that I gather is still before the courts in terms of the Durham Hospital, where I think really there are two things being assessed. One was whether or not the letter suggesting that there be no further patients taken in on such and such a date had any foundation in law; I gather the judge has questioned that. I think the hon. Leader of the Opposition should know that the question of the closing, which was supported by an order in council, as I understand it, pursuant to the Act, is quite a different issue. While I am always prepared to discuss any matters with the senior civil service of the government, I am also quite comfortable in the knowledge that the acting Minister of Health (B. Stephenson) has great capacity to deal with the problems in that ministry.

Mr. Lewis: By way of supplementary: The Premier, however, will also have noted, I am sure, that whatever the undoubted capacities of the acting Minister of Health the judge was obviously offended—in fact, he used the words “mending fences in haste”—at the way in which the order in council was thrust to the courts on the day on which Durham made application, and the feeling that somehow due process was not being observed. Is it not possible to get the Ministry of Health, in the sensitive areas of hospital closings and cutbacks, to behave in a civilized and rational fashion rather than an arbitrary one?

Hon. Mr. Davis: Mr. Speaker, I think what was done by the ministry in terms of the closings was both rational and, to the extent it is possible in these difficult situations, humane and reasonable.

I am not going to debate the views of one of the judges of the High Court in this province, but the fact is that Durham Hospital knew and there was no hiding of the order in council. I announced it myself here in this Legislature. So, while I am not going to comment on what the judge said, I don't think anybody was taken by surprise or did not know of the facts as they existed.

With respect, Mr. Speaker, as I say—

Mr. Singer: It is not a question of whether you are taken by surprise. The question is whether you did what it says.

Hon. Mr. Davis: —not only have I confidence in the capacity of the acting Minister

of Health, I have confidence in her capacity to deal with any problems within her ministry.

Mr. Singer: A supplementary: Surely the Premier will admit that it isn't a question of taking people by surprise, but that of all people who should observe statutory provisions the government is the most obvious one that should? After all, it is the government's statute. Is the Premier saying that as long as the government's heart is pure, it doesn't matter what the statutes say?

Hon. Mr. Davis: No, Mr. Speaker. As I understand it, the government has followed the provisions of the statute.

Mr. Singer: Yes, later.

Hon. Mr. Davis: No, no.

PRIVATE LABORATORIES

Mr. Lewis: A question, if I may, of the Attorney General: Now that the College of Physicians and Surgeons has suspended the licence of one doctor dealing with Abko Labs for six months, reprimanded another four and tied directly together the receiving of favours from Abko Medical Laboratory apparently in return for services rendered, is it not time to reintroduce the principle of equal justice equally applied in Ontario and point to that part of the Criminal Code which has also been violated?

Hon. Mr. McMurtry: I don't really understand the Leader of the Opposition's question. If the Leader of the Opposition is suggesting there is a criminal offence that has been committed and that we are not prosecuting, I would like to have further particulars in that regard. As I indicated last week in this Legislature, my position is that if responsible information comes to my agents or my ministry in relation to the commission of a criminal offence, we certainly wish to prosecute. There may well be unethical behaviour, or behaviour that is contrary to a certain professional standard of conduct—and there seems to be little doubt that there is some evidence of that—but that standing by itself does not necessarily amount to a criminal offence; although it may amount to such, and if we have that information, we will prosecute. I hope and expect that the College of Physicians will supply us with any information that would indicate a criminal offence has been committed.

Mr. Lewis: Well, I admit to being perplexed. Since the college has indicated pub-

licly in its judgement the conferring of favours in the case of one doctor and in the others says specifically: "The discipline committee was convinced that the payments were indeed some form of remuneration for revenues generated to the laboratory by referral of patients;" since section 383 of the Criminal Code says, "Everyone commits an offence who being an agent, demands, accepts or offers or agrees to accept from any person, a reward, advantage or benefit of any kind as a consideration" for doing certain things; since there is, at least on the face of it, even to a layman clear evidence of the need for the application of justice, can he as Attorney General pursue it?

Hon. Mr. McMurtry: Yes, we will pursue the matter, Mr. Speaker.

MINAKI LODGE

Mr. Lewis: Mr. Speaker, a question of the Premier again: Since there remains in the estimates this year \$1.5 million for Minaki Lodge, and I believe another \$400,000 for operating expenses, what will happen to that money; and how does he possibly explain the public investment so far and the fiasco of Minaki today?

Hon. Mr. Davis: Mr. Speaker, I think that question should properly be directed to the Minister of Industry and Tourism.

Mr. Lewis: Well, alas, he not being here, I turn to his mentor. Does the Premier want me to wait to ask that question?

Hon. Mr. Davis: I will get the answer if the minister is not here tomorrow.

PAPER SHREDDER

Mr. Lewis: One last question, of the Minister of Consumer and Commercial Relations: I wonder if the following has been brought to his attention from the pages of the New Yorker:

Automatic paper shredder, ideal for home or office, lightweight, compact, it renders illegal, confidential correspondence records so that they won't be read by the wrong people. Totally electric and automatic, it shreds cards, negatives, cellophanes and bond paper and sells for only \$89.95.

Has the minister investigated its value?

Hon. Mr. Handleman: Mr. Speaker, that particular ad has not been brought to my attention because—

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: —the 1969 model which I have in my office is perfectly suitable for the purpose, and I don't happen to need a new one. It sounds like a good buy, though.

Mr. MacDonald: How much did you pay for yours?

Mr. Martel: Maybe you could buy a dozen.

Mr. Shore: Tell him it is not in the budget.

Mr. Speaker: The member for Hamilton West with his questions.

Mr. S. Smith: It is going to be hard to top that as a matter of urgent public importance, Mr. Speaker, but we will try.

Interjections.

Mr. Speaker: Order.

[2:30]

Mr. S. Smith: I was going to ask the Treasurer (Mr. McKeough) whether his predictions with regard to our party are any better than those with regard to his budget, but alas, he has taken the opportunity not to be here; so I shall have to turn instead—

Mr. MacDonald: Is that a matter of public importance?

Mr. S. Smith: —to the Minister of Labour, who is also the acting Minister of Health.

Interjections.

BLOOD LEAD LEVELS

Mr. S. Smith: Is the Minister of Labour aware of recent information which indicates that workers who work in areas where lead is being smelted can in fact be carrying the lead dust home in their clothes, and that the lead can then find its way into the bloodstream of members of the family, including young children? And if she is aware of this information, is there any programme in force at the moment to test the blood of the children of those workers who are in atmospheres where lead happens to be in the atmosphere, such as Canada Metal Co. Ltd. and so on?

Hon. B. Stephenson: There have been at least two programmes in which children of

such families have been tested on an ongoing basis, and this is continuing. This information, as the hon. leader of the third party has stated, has recently been released. I think that it points up yet another area of concern for the clothes-changing and bathing procedures of workers in those specific plants after they finish their shift, which is the area I'm looking at specifically right at the moment. Certainly with this kind of information we shall have to look most carefully at the children of those workers who work in lead smelter plants in terms of the possibility of some infusion of lead into their blood-streams.

Mr. S. Smith: Just by way of supplementary, and I appreciate the answer, do I take it then that there is a programme whereby all the children are going to be tested, if their parents are working in lead smelters, and that the results of these tests will be tabled in the Legislature?

Hon. B. Stephenson: I didn't say that. What I said was that we will attempt to develop a programme in order to have this done. Most certainly the results will be given to the families of those children, which is where they should be, and if they agree, then certainly we can table them in the Legislature. But this depends upon the confidentiality desired by the families and the children.

Mr. S. Smith: Supplementary: I don't want to make this into a give and take, but basically, when are we going to know if this has been done? It is a hazard and we are worried about it. When are we going to know that this has been carried out? Can the minister give us some undertaking in this regard?

Hon. B. Stephenson: As soon as it's humanly possible to do so.

BROWNDALÉ OPERATIONS

Mr. S. Smith: A question of the Attorney General: Has the audit of Browndale been completed and presented to him? Is he prepared to present it to us at this time?

Hon. Mr. McMurtry: I don't know whether the audit has been completed. I do know that it has not been presented to me.

Mr. S. Smith: Supplementary: Continuing on that topic, could the Attorney General give an opinion in terms of whether he thinks it is appropriate that a non-profit institution, Browndale, Ontario, should have been considering in February, 1974, the purchase of shares in one of the Brown private com-

panies, namely Browndale International Ltd.? Does he feel that this is proper and can he tell us whether those shares were purchased?

Hon. Mr. McMurtry: It's not my role to volunteer legal opinions on a few bare facts presented to me by any member of this Legislature, with the greatest respect to all of the members. I indicated to the leader of the Liberal Party that an investigation was under way, and that information relating to the audit would be made available to members by staff as soon as this information is available. As a matter of fact, I believe that members of my staff met with the leader of the Liberal Party at the end of last week to ascertain what information might be of assistance in such an investigation. I don't think I have anything more to say at this time.

Mr. S. Smith: Just one more supplementary: I did meet with the Attorney General's staff, and can he explain to this House how it's possible that he could have had in his possession for some considerable time an affidavit from one Mr. Sorbie, pointing out, in paragraph 15, that there was one particular person, a Dr. Wong, who had important information to give and would give it under oath; and that by the time the minister's people spoke to me on Friday none of them had gone to speak to that particular Dr. Wong, even though he was the only person singled out as a person having important information to give? Could the Attorney General explain what kind of an investigation that is, that nobody in fact spoke to the man?

Hon. Mr. McMurtry: They indicated, to the House, the affidavits have been in the possession of the Ontario Provincial Police for some weeks; I'm confident that they are quite capable of making a proper investigation. I have no intention of directing the investigation on a day-to-day basis, if at all.

Mr. S. Smith: What about a week-to-week or a year-to-year basis?

Mr. Speaker: Further questions?

ITINERANT SELLERS

Mr. S. Smith: I have a question of the Minister of Consumer and Commercial Relations. The Minister of Consumer and Commercial Relations may remember that on April 1, I asked whether he could give us information as to how many itinerant sellers in the Province of Ontario have in some way

had a penalty applied to them because of not complying with the Act respecting itinerant salesmen in this province. I haven't received that information yet. Could the minister give us that information, please?

Hon. Mr. Handleman: Mr. Speaker, as I recall, the member for Hamilton West asked me how many unregistered itinerant salesmen were in the province—and I replied to him that I didn't think I could tell him how many there were unregistered. We have done some investigation. The number of registered salesmen in the province has jumped from 1,286 in 1973 to 1,625 in 1975. We have processed approximately 5,000 complaints and the number of prosecutions is quite low, mostly because we have been able to solve most of the problems by conciliation.

At the present time, we are trying to get more information as to the number of sellers who should be registered and are not. We are asking local authorities to co-operate with us in that respect. We are also considering measures to improve the present legislation.

The number of prosecutions in 1975, as I recall, was down to five from 48 in 1973; we have managed to reduce the number of prosecutions by better policing of the Act.

Mr. S. Smith: I thank the minister for the information; I appreciate him digging it out.

Does the minister not agree, though, that as it stands at the moment, the Act basically penalizes those who take the trouble to get themselves licensed and bonded and who comply with its provisions? Does the minister not agree it offers them nothing by way of identification which they could then use at the door in order to identify themselves. It basically leaves those thousands of people who go door-to-door without complying with the Act totally unpenalized, and in fact rewarded for avoiding the Act with no danger of real prosecution?

Hon. Mr. Handleman: Mr. Speaker, I suppose you could say those who are law-abiding are penalized in comparison to those who violate the law. We are looking at possible measures to make any contract signed with an unregistered itinerant salesman invalid, which I think would provide sufficient penalty under those circumstances.

Mr. S. Smith: Just a final supplementary: Would the minister not agree that if he brings that in, it would also be a good idea to give them some identification to show they have been registered so as to protect the householder?

Hon. Mr. Handleman: Mr. Speaker, many municipalities of course, do provide itinerant salesmen with a licence, which can be used by identification; but certainly it is a suggestion worth considering.

FEDERAL REPORT ON WOMEN'S WAGES

Mr. S. Smith: One final, small question of the Minister of Labour: With regard to the minister's statement that she was looking into the matter in Kitchener where a federal survey showed that women were being paid at a rate 17 per cent lower than men; can she tell us, first of all, whether she has any provincial survey information at all; whether there is any provincial survey now being conducted? And if so, could she give us the information? And if there are no provincial surveys of a similar kind being conducted, why is she leaving this whole matter to the federal government?

Hon. B. Stephenson: Mr. Speaker, the matter is not being left to the federal government. As I told the hon. member last week, the employment standards branch of the Ministry of Labour is at this point checking the statements which have been released by the federal government. There have been certain studies done by the Women's Bureau of the Ministry of Labour, but they have not specifically been in relation to Kitchener. This is one which was released by the federal government. That information is being checked and is being pursued by the employment standards branch.

Mr. S. Smith: A supplementary, I may not have made myself clear: What I am saying is, that was okay for Kitchener, but are there any provincial studies for other places and could the minister please table the results?

Hon. B. Stephenson: Mr. Speaker, I have said there have been other studies done by the Women's Bureau; and I will find the results and table them, yes.

Mr. Speaker: The member for Windsor-Sandwich.

PRESIDENCY OF ST. CLAIR COLLEGE

Mr. Bounsall: I have a question of the Minister of Colleges and Universities. Is the minister aware that the administrative staff, the teaching staff, the support staff and the students of St. Clair College all walked out today at 1 p.m., for the afternoon only, as

an indication of their solid support for the president, Richard Quittenton, who was precipitously and unjustly asked to resign by the board?

Mr. Lewis: That's a political witch-hunt.

Hon. Mr. Davis: You can't accuse him of playing politics. They must be all NDP on the board.

Mr. Bain: All old-line Tories.

Mr. Bounsall: That's right; that's the problem. Would the minister be willing to intervene at some future time, if necessary, to see that this president—who has done so much, not just for St. Clair College but for the entire college system in Ontario—is retained in his position and is given fair and honourable treatment, as is his just due?

Hon. Mr. Parrott: Very briefly, Mr. Speaker, the answer to the first portion of the question is yes, but I do have a brief statement which I would like to give to the House in reply to the question.

Mr. Speaker: If it's a brief statement it can be part of an answer.

Hon. Mr. Parrott: It's a page and a half. Is that brief, sir?

Mr. Speaker: Maybe it is; we'll see how long it is.

Hon. Mr. Davis: A page for the answer and a half for the statement.

Hon. Mr. Parrott: Over the past three or four days I have been in constant contact with many persons in Windsor and at St. Clair. I am sure that the hon. member for Windsor-Sandwich agrees with me on the value of St. Clair College and the close relationship between it and its community.

The relationship of St. Clair was achieved, no doubt, in large part due to the office of the board of governors and to the chief employee, President Quittenton. The board and president have worked very effectively together in launching and developing the college. Recently, I heard that the board and President Quittenton had discussed future alternatives. I understand there were some who felt that now, after 10 years, it was time for a fresh hand at the helm. I further understand that Dr. Quittenton was, himself, interested in tackling a new challenge. I know the board of governors does regret that in the course of these discussions—

Mr. Breithaupt: That didn't work out.

Hon. Mr. Parrott: —the whole situation was mis-represented locally, with reference to financial problems at the college as the reason for requesting Dr. Quittenton's resignation. That was quoted in the Windsor Star on April 21, I believe. I'm assured by the board of governors that this allegation was totally false. I can also assert that this ministry, at least from our point of view, has no concern in regard to the financial management of St. Clair College. I personally regret this hurt to a person who has made such a significant contribution to this college and to his community.

As I said, I've been in touch constantly over the weekend. I was aware of the development up until 10:30 this morning, where I thought a statement was going to be made to resolve the situation, and I have just recently been informed, before coming into the House, of the actions of the students and the staff association. I'm very hopeful that the board and the president will continue to discuss their problem and come to a mutually acceptable position. I certainly will keep in close contact until that is achieved.

Mr. Speaker: That will be considered as a normal answer. A supplementary from the member for Windsor-Walkerville.

Mr. B. Newman: Will the minister ask the board to lift the deadline of tonight as the time by which Dr. Quittenton must resign or be fired, so that the two parties can attempt to resolve the issue amicably?

Hon. Mr. Parrott: I didn't quite hear the first portion of the question.

Mr. B. Newman: Will the minister ask the board to lift the deadline, the time by which the president of St. Clair College must submit his resignation or be fired, so that there is additional time to resolve the issue?

Hon. Mr. Parrott: I fully admit not having complete knowledge of the facts, because they have been changing almost momentarily, but to the best of my knowledge at this time there is not a deadline, at least one that is not acceptable to both. Therefore, I would not like to say I would intervene, because I feel it isn't necessary on that portion of it.

Mr. Bounsall: That's been done already.
[2:45]

Mr. Warner: Supplementary.

Mr. Speaker: This will be a final supplementary on this then, the member for Scarborough-Ellesmere.

Mr. Warner: Would the minister not agree that this situation could have been avoided had the board of governors been totally representative of every constituency, and that in the future it might serve well if the government could instruct that boards of governors will be comprised of students, faculty, support staff and other members of the community so as to avoid the kind of situation which has occurred at St. Clair?

Hon. Mr. Parrott: Quite honestly, I think that is not the way it is. I feel there were factors that precipitated this situation that were not related to the board representing certain constituencies.

RUTHVEN PUBLIC SCHOOL EXPANSION

Mr. Mancini: I have a question of the Minister of Education. In view of the fact that the Ministry of Education has been requested since 1969, and has been petitioned in 1975, to consider the request for a building expansion to the Ruthven Public School, I would like to ask the minister if he is going to make money available in this year's budget for the expansion?

Hon. Mr. Wells: The request from Ruthven Public School will be considered with all other requests when we look at the 1976 capital allocations in the fall.

Mr. Mancini: Supplementary: I would like to ask the minister if he has received a letter from the board of education in Essex county and if he has answered it. I would also like to give the minister these 500 letters.

Mr. Martel: Put them on the order paper.

Mr. Lewis: What have you got against Ruthven? It is a perfectly lovely school. Let them expand; open up your heart.

Mr. Speaker: Is there an answer? The hon. minister.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Wells: It is not so easy, as my friend knows, down there. Perhaps if he would lend a little support to some of the other building plans of the Essex county board he might serve the interests of that area.

Mr. Kerrio: I don't think that is the question.

Mr. Sweeney: That is subtle blackmail.

Mr. Yakabuski: What are your priorities?

Hon. Mr. Wells: I get a lot of letters from the Essex county board, as he is well aware; in fact, I get a lot of letters from all the boards in the Windsor area.

Interjections.

Hon. Mr. Wells: The situation with Ruthven is the same as I just stated; it will be considered with other requests.

Mr. Shore: What about the letters?

Hon. Mr. Wells: Members might be interested in knowing, I believe, that the changes there entail the closing of some schools also, do they not? That is something which I am sure the board would want to take a look at.

Mr. Lewis: The government found \$3 million for Minaki Lodge but nothing for Ruthven.

COST OF SABBATICALS

Mr. Yakabuski: I have a question of the Minister of Colleges and Universities. Since I did not have a reply a couple of weeks ago—

Interjections.

Mr. Speaker: Order, please.

Mr. Yakabuski: —from either the Minister of Colleges and Universities or the Minister of Education, I will approach them one at a time.

Interjections.

Mr. Yakabuski: Today I want to ask the Minister of Colleges and Universities have he or his staff done any research on what the taxpayers of Ontario would be saved if sabbaticals in the colleges and universities areas were discontinued and that ripoff was ended?

Interjections.

Hon. Mr. Parrott: I must say I have done a great deal of research in that problem. One of the things I am researching most carefully at the moment is to see whether there will be a net saving to the taxpayers, because I've got to recognize that if we should ban sabbaticals it may mean that the opposition would be dissipated by 50 per cent. Whether that would be a net savings or not, I am not sure, but I am looking into it.

Mr. Reid: You rehearsed that one.

Mr. Speaker: Order, please.

Mr. Breithaupt: If the member for Renfrew South had a sabbatical he wouldn't know where to hang it or how to play it.

Mr. Warner: Supplementary: If the minister is contemplating a written response to the member for Renfrew South, would he include in that the statement that sabbaticals do save money for the taxpayers at the university levels since only 75 per cent of the salary is paid and no replacement is hired? In fact, the university spends 75 per cent of its money, not 100 per cent, and the remaining faculty members—

Mr. Speaker: Order, please.

Mr. Mancini: What is the question?

Interjections.

Mr. Speaker: Order, please.

Mr. S. Smith: What kind of a question is that?

Mr. Breithaupt: Why don't we dismiss everyone then?

Mr. S. Smith: Let's hear from Laurel and Hardy then.

Mr. Speaker: I think we can have fewer interjections in this. Order, please. Has the hon. minister an answer to that?

Hon. Mr. Parrott: I can assure the hon. member that I will give him, the member for Renfrew South, all of the information he requires. I can also assure the House that I won't accept all of the comments made by the member for Scarborough-Ellesmere.

Mr. Yakabuski: Supplementary.

Interjections.

Mr. Speaker: All right, the member for Renfrew South with a supplementary.

Mr. Yakabuski: Could the minister inform the House if there has ever been a sitting member of the House on sabbatical?

Mr. R. S. Smith: Just the member for St. Catharines (Mr. Johnston).

Mr. Conway: Is that the "progressive" part of the Conservatives?

Interjections.

Mr. Speaker: Order, please. Those interjections add nothing to the debate. Does the hon. minister have a quick answer?

Interjections.

Hon. Mr. Parrott: I'll take the question as notice.

Mr. Singer: Mr. Speaker.

Mr. Speaker: Is this a supplementary?

Mr. Singer: No, a new question.

Mr. Speaker: All right; we'll get to you in a moment then. The member for Timiskaming with a question.

LOANS TO MILK PRODUCERS

Mr. Bain: Thank you, Mr. Speaker. I have a question of the Minister of Agriculture and Food. On Friday, April 9, he answered a question concerning the industrial milk production incentive programme by saying that each farmer should go to his ag rep to discuss a renegotiation of his IMPIP loan. Specifically, what terms are being changed to favour the farmers? Can the agriculture representatives do any more than reduce by 15 per cent the amount of milk required to qualify for the 20 per cent refund of principal?

Hon. W. Newman: Mr. Speaker, I think I answered at that particular point in time that if he goes to his ag rep we have an internal committee within the ministry that deals with the IMPIP loans. I realize the problems that many of the farmers are being faced with because of the new programme that has come in from Ottawa, the problems they're faced with as far as repaying their loans is concerned. We have a special internal committee by Mr. Norm Watson of my ministry.

Mr. Bain: Supplementary.

Mr. Speaker: Supplementary.

Mr. Bain: The minister can correct me: Is there any consideration this committee will give other than reducing by 15 per cent the amount of milk required to be produced to qualify for the refund? And would he also inform us whether this committee or he himself is considering or prepared to consider a refund of 25 per cent per year instead of 20 per cent; or will he consider extending for a year or two the loan period for which the farmer would qualify for the 20 per cent refund?

Hon. W. Newman: The 20 per cent refund is geared, of course, to the amount of milk he was not allowed to have this year. There was a 15 per cent overall reduction in the Province of Ontario set up by the Ontario

Milk Marketing Board. I might point out that in the other provinces in Canada, it's higher than that. I think Ontario is the lowest as far as the cut is concerned this year. As far as extending the IMPIP loans, a lot depends on the individual circumstances of the individual people who have been hurt.

I spent two hours last Friday talking to the Ontario Milk Commission. We discussed some of the problems of some of the farmers who just got into the industrial milk field late last year, the problems they're faced with and will be faced with in a matter of weeks. We are looking at the whole problem at this point in time. We've also asked the Ontario Milk Commission to discuss it with the Milk Marketing Board, because we know there are a lot of problems.

Mr. Gaunt: Supplementary, Mr. Speaker.

Mr. Speaker: The member for Huron-Bruce with a supplementary.

Mr. Gaunt: Supplementary to the minister: In view of the urgent situation and the fact that many farmers, indeed most farmers, cannot purchase additional MSQ quota, is the ministry prepared to do anything to try to make available more MSQ quota so that farmers who are just establishing themselves in the business can buy more quota to tide them over this very difficult period?

Hon. W. Newman: Mr. Speaker, in answer to the member, the MSQ quota is set up by the Canadian Dairy Commission and by the federal people in Ottawa. It kind of annoys me a little bit, because we fought for and obtained what we were entitled to this year in the Province of Ontario as far as MSQ quota is concerned. But it does concern me when they hand out extra MSQ quota in other parts of Canada; I don't feel there was nearly the need for it as there was in the Province of Ontario.

This is surely a year of consolidation, and to hand out any extra MSQ quota; and I know I've been criticized for fighting against that particular province getting extra quota. I felt it should be used in those provinces that already had a situation that needed to be corrected. All I can suggest to the hon. member is that we could borrow from quota or he could talk to his friends in Ottawa. We have talked at the federal-provincial conference about this; we knew some of these problems were coming.

An hon. member: We don't have any friends there any more; we gave them up yesterday.

Hon. W. Newman: Certainly I am very much concerned about the industrial milk shippers in this province.

Mr. MacDonald: A supplementary: Since the whole purpose of the IMPIP programme was to increase milk production, and the current thrust of policy in the milk industry is to reduce it, has the minister considered eliminating the requirement of increasing production without any penalty on the 20 per cent forgiveness, in order that he reconcile the conflict between the old and the new policy?

Hon. W. Newman: Mr. Speaker, the whole total IMPIP programme is not in place at this point in time; it was wiped out before.

Mr. MacDonald: No, but for those who signed IMPIP loans.

Hon. W. Newman: It was brought in for a purpose, and a very good purpose, by my predecessor, and I think I should explain why it was brought in. It was brought in because there was a certain allocation set up by the government of Canada. We were not meeting our allocation, we were losing market share quotas to other provinces. The programme was brought in to step up Ontario's share of what they were entitled to.

Mr. MacDonald: Can you answer my question?

Hon. W. Newman: Just a minute. So that effectively helped with that particular programme. Now we are in a situation where some of our friends down in Ottawa didn't realize you can't turn cows on and off.

Mr. MacDonald: We didn't ask for his rehash. Answer the question.

Hon. W. Newman: What I am talking about is the IMPIP programme. We are prepared to reduce the percentage as corresponding to the percentage reduction in the total MSQ allocated to the producers.

Mr. MacDonald: He has not answered my question.

Mr. Speaker: Order, please. I can't help it.

Hon. W. Newman: It would help if the member knew a bit about agriculture.

board for Laurentian Hospital was appointed partly on the nomination of the regional council of Sudbury. Can she explain how this worked, when at least one mayor who is a member of that council assures me that no such discussion ever took place and no such nominations ever took place on the regional council?

Hon. B. Stephenson: Mr. Speaker, I certainly can't vouch for the fact that the mayor who was supposed to be a member of the council was present at the time, but, in fact, that is exactly what happened.

Mr. Singer: He said he was.

Hon. B. Stephenson: The request was made of the regional council and of the hospital planning council of that area that each supply us with the names of three nominees to that board, which is, I will remind the members of the House, an interim board to function only until the meeting of the general corporation.

Mr. Singer: By way of supplementary, can the minister tell us whether or not, of her knowledge and if she hasn't got the knowledge, will she inquire—the matter was ever brought to a meeting of that regional council?

Hon. B. Stephenson: Mr. Speaker, it is my understanding that it was. If it was not, I shall inquire to ascertain the facts.

Mr. Martel: Supplementary: Is it not true that all of the appointments were made on the recommendations of the regional chairman, Joe Fabbro?

Hon. B. Stephenson: As a matter of fact, Mr. Speaker, they were not. Three were made on the recommendation of the hospital planning council and three on the recommendation of the regional council.

Mr. Martel: Never.

Mr. Speaker: The Minister of Labour has an answer to a question asked previously.

Hon. B. Stephenson: Mr. Speaker, it's as the acting Minister of Health that I have an answer to a question.

Mr. Speaker: Fine.

LAURENTIAN HOSPITAL

Mr. Singer: Mr. Speaker, I have a question for the acting Minister of Health. On April 22, she advised the hon. member for Nickel Belt (Mr. Laughren) that the interim new

PRIVATE LABORATORIES

Hon. B. Stephenson: The leader of the Liberal Party asked me, I think three days ago, about a report of the Council of Health about funding for lab services which pur-

ported to recommend tendering for that service.

There have been three reports tabled by the Council of Health for the Province of Ontario and one other report, which is an internal document—three of which are public—and in none of them can I find any recommendation regarding tendering for laboratory services in the province.

Mr. S. Smith: Supplementary: Is the minister not aware that I never said anything about the Council of Health; I said within the Ministry of Health there have been civil servants who have produced between four and six reports which touched on the question of laboratory finances?

Hon. B. Stephenson: Mr. Speaker, I will state again that, having perused all of the reports I can find, tendering for laboratory services is not mentioned.

Mr. Speaker: Does the hon. minister wish to give the answer to the other question?

HOSPITAL CLOSINGS

Hon. B. Stephenson: Thank you, Mr. Speaker. The Leader of the Opposition has made in this House, and outside, some interesting but very misleading statements regarding three hospitals whose names he has mentioned upon occasion, one occasion being yesterday in Hamilton. Mr. Speaker, the information regarding those—

Mr. Lewis: On a point of order. Is this a point of privilege the minister is rising on?

Hon. B. Stephenson: It is in response to the question asked by the Leader of the Opposition about whether we should not withdraw all of our claims regarding the other hospitals in the constraint programme on the basis of inaccuracies which he stated were the fault of the Ministry of Health. I should like to respond, if I may.

Mr. Lewis: The minister answered my question at the time.

Hon. B. Stephenson: I did answer it at the time. I will reiterate the answer now. In one instance—

Mr. Lewis: Thank you very much. That's what I thought—

Mr. Yakabuski: You don't want the truth, eh?

Interjections.

Mr. Speaker: Order, please.

Mr. Lewis: On a point of order. I am glad that the minister, after the fact, has assembled information which she wishes now to give to the House in an additional response to a question she has already answered. It can appropriately come before the orders of the day as a statement by the ministry. It can come in the budget debate. It can come in the Health estimates. But it cannot come now—or it should not come now.

Hon. Mr. Davis: Are you telling the Speaker how to run the House?

Mr. Speaker: Order, please.

Mr. Breithaupt: Speaking to the member's point of order, did I hear the minister say that the statements that were made by the Leader of the Opposition both here and outside were misleading the House? Is that correct?

Mr. Yakabuski: Of course—always.

Hon. B. Stephenson: Yes, Mr. Speaker, that is the statement I made.

Hon. Mr. Davis: Not intentionally of course.

Mr. Speaker: Order, please. May I suggest to the hon. minister if it is just a general statement, then it probably should be given as a statement by the ministry before the orders of the day. If it is a question which was taken as notice, then this is the appropriate place for it. I will leave that in the minister's hands to decide. I am just not sure which it is.

Mr. Lewis: She can make it tomorrow.

Mr. Lawlor: Mr. Speaker—

Mr. Speaker: Order, please. The oral question period has expired.

POINT OF PRIVILEGE

Mr. Lewis: On a point of privilege, Mr. Speaker. With respect to the Premier's observation earlier in this question period, I have looked very carefully at his statement of April 12, when the hospital closings were dealt with, and nowhere do I see any reference to an order in council or the mechanism by which they were to be closed, as I think the Premier indicated. It again reaffirms that the approach taken by the Ministry of Health contravened its own statutes.

Hon. Mr. Davis: Mr. Speaker, I am not going to get into a legal argument. In anything I said earlier today, I did not say that in the statement I made here, on whatever

date it was, that I had referred to an order in council. All I said was that an order in council had been passed. In my observations here this afternoon, I said very simply that it came as no surprise to anybody. I announced it here in the House. That's all I am saying.

Mr. Lewis: I see. So you can use the wrong name, as long as you announce it.

Mr. Speaker: Order, please.

Petitions.

Presenting reports.

Hon. Mr. Welch presented the annual report of the Royal Ontario Museum for the year ended June 30, 1975.

Mr. Cunningham: That's where the member for St. Catharines (Mr. Johnston) is.

Interjections.

Mr. Speaker: Order, please.

Motions.

Hon. Mr. Welch moved that the order for third reading of Bill 25, an Act to amend the Highway Traffic Act, be discharged and the bill be referred back to the committee of the whole House for reconsideration of those sections of the bill which were deleted by the committee, namely section 3(4), section 4(2), and section 19.

Motion agreed to.

Mr. Speaker: Introduction of bills.

CONSUMER REPORTING AMENDMENT ACT

Mr. Reid moved first reading of bill intituled, An Act to amend the Consumer Reporting Act, 1973.

Motion agreed to; first reading of the bill.

Mr. Reid: Mr. Speaker, the purpose of the bill is to prevent the selling of personal information contained in consumer reports to persons outside the Province of Ontario. The bill would also prohibit the selling of lists of names and addresses of persons contained in consumer reporting files. As well, it requires that the form of security used to protect that confidential information be filed with the Minister of Consumer and Commercial Relations.

Mr. Speaker: Orders of the day.

Clerk of the House: The 11th order, House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (continued)

On vote 903:

Mr. Chairman: We are dealing with vote 903, guaranteed income and tax credit programmes.

Shall the vote carry?

Mr. Reid: Are we on the first vote? Not only that, the minister isn't even in his chair.

Mr. Chairman: Vote 903, item 1. The hon. member for Windsor-Walkerville.

Mr. B. Newman: Mr. Chairman, the minister was going to reply to the questions I put to him concerning the first-time home buyer grant to those who purchased mobile homes with CSA approval but not necessarily CSA approval Z240. Many people, I understand, bought mobile units with the CSA approval, not realizing it had to be a specific CSA approval.

Hon. Mr. Meen: I was about to respond to the hon. member on Thursday night when the chairman hammered the gavel, announced it was 10:30 and it was time we rose and reported. I do want to outline the picture as we have seen it here.

Although hindsight's great stuff, in short, the advertisement and the form of advertisement we used was intended, really, to acquaint potential purchasers of mobile homes with the fact that they had to meet certain standards. The advertisement said, "A mobile home which meets prescribed standards defined by the Canadian Standards Association." It was not intended, of course, that that would mean that any CSA approval would do. It was intended to get people to contact our information centre—which they did by the thousands—to ask any questions and have those questions answered as best we could.

The weekend that intervened since last Thursday night gave me a chance to get some particulars on that and I would advise the committee that we received a total of 130,000 telephone calls about the grant in general and a very substantial number of those calls would relate, undoubtedly, to the mobile home situation. I guess it's fair to say that the ad did get across.

When the ad was written, my people tell me that one of their concerns about inserting the Z240 was that people might forget that number and think of some other number; then, seeing a Z number of some designation they might have thought that that was the

one. Rather than try to put in a number they indicated they thought it was better—and that was the best advice we had at that time—that it simply be drawn in more generic terms, inasmuch as we didn't set out all the other criteria either. I suppose, from hindsight, it's easy to argue that the Z240 might have been included. I am inclined to think it might have been.

The ad's a pretty busy one as it stands—busy in quotes; that's an advertising term I have come across lately. It's about as busy as one would want to have an advertisement. I suppose the addition of a little something more wouldn't have been all that much more, but that's where the decision was made. I am not convinced, frankly, that either of these actions—the addition of this material or the addition of all of the specifications—would have made a great deal of difference.

We did go so far as to mail a booklet which did contain all the qualifications, specifications and details required. We did go so far as to mail those to quite a number of park owners and dealerships. I suppose we might have directed a specific mailing to all owners but I suppose again, by hindsight, that's something we might have done.

The fact is that although there were some applications which were denied, in retrospect it's a hardship but I couldn't see any way at the time when we made these rulings in which we could possibly have extended it.

It would have had a distinct disadvantage if we had amended the regulations to admit those purchasers of homes which did not qualify with a Z240 but, perhaps, had some other Z designation under CSA. There is a much simpler one, a much easier one to meet, which deals with electrical standards only; it doesn't deal with structure and insulation and the like. Had we done that, we would have wound up disqualifying some others who sold homes of that qualification and purchased Z240s or some other dwelling unit as their first home thereby qualifying, because we did not then treat a home which was not a Z240 as a prior residence. It would have wound up disqualifying quite a number who had previously qualified under the present arrangement.

From a logistics and practical standpoint it seemed that a difficult, if not impossible situation would be created had we gone back to rework the game or changed the rules during the course of the ball game.

That's a rather long answer to a short question from the hon. member for Windsor-Walkerville but I trust it explains the situation.

Mr. B. Newman: Thank you. I notice your new ads do specifically mention Z240s, so you must have learned something from the error you committed earlier. Could you inform the House as to approximately the number of mobile unit buyers who lost out on their first-time home buyer grant as a result of not having the Z240 qualification, but simply having a CSA rating on the unit?

Hon. Mr. Meen: I am advised that we don't have any particular figure for that. The 400 or so applications which were denied were denied for quite a number of reasons and we do not have a breakdown of the numbers within that group who were denied it simply on that basis and who were otherwise fully qualified. What you would have to do is go through and see whether they qualified otherwise in every respect.

Certainly there are some. I have a great deal of sympathy for those who may have been misled, deliberately or otherwise, by a vendor who allowed that because it had any kind of CSA approval, that was fine, and "Go ahead and sign here and you will get your \$1,000." This, I suspect, may have happened. I just don't know how many there are in that category.

Mr. B. Newman: I did discuss this with some of your officials and, let me tell you, they were most co-operative. They explained everything to me very well and I thought were a real credit to your department.

Mr. Reid: I want to speak to the minister concerning the same thing. As the minister knows, I have been in touch with him on one or two occasions or more in regard to the fact that some of the people who bought mobile homes were not successful in receiving the Ontario home buyer grant. They bought these mobile homes in good faith. The constituents I am speaking of, as the minister knows, are in northern Ontario, particularly in northwestern Ontario, where they wouldn't have the opportunity to contact your regional officers to the same extent as the 130,000 callers or letter writers you had.

[3:15]

Many of them took it on good faith that if they purchased a mobile home which was being sold on the market it would qualify for the home buyer grant. I am informed by some of them that the mobile homes they now live in far exceed the standard of Z240. Some of them have had them inspected by the local Hydro people, for instance, and found that the wiring is more than adequate and exceeds the CSA standards.

The minister says he's got some 400 applications which were turned down for one reason or another. I would suspect that a large number of those come from northern Ontario where the people, as I say, acted in good faith, thought they were doing the right thing but have been turned down because their mobile homes didn't meet the Z240 standards. Again, perhaps because of the area they live in, they didn't have the opportunity to get the confirmation that, perhaps, the minister felt they needed.

I would implore the minister to have his officials go through those applications, pull out those which were turned down because they didn't meet the Z240 standards, look at those particularly from northern Ontario where they don't have access to the information to the same extent as people do, perhaps, in southern Ontario and give your officials a chance to have another look at approving those requests.

I would think, for instance, if we take the minister's comments that many of the 400 were turned down for reasons other than the fact that they weren't in the Z240 series, you would find there might not be all that many which would qualify because they do meet the standards and those could be approved.

I wonder if I could have the minister's comments on that?

Hon. Mr. Meen: Mr. Chairman, the Act itself is very clear. It is not a question of looking at those in northern Ontario; it's a question of looking at those for which the specifications of the home concerned do or do not meet the requirements of the Act. Whether it's in northern Ontario or Windsor or wherever, the fact of the matter is that some of these cases may well be those we had to reject only because they did not meet the Z240 standards. I don't know of a standard which is more stringent than the Z240; the hon. member refers to electrical—that could be. There are lots of other requirements, besides electrical, which have to be met before you get a Z240 rating. There is a much lower standard of mobile trailers which has a Z number.

Mr. Reid: Yes, I realize that.

Hon. Mr. Meen: It's 173 or whatever it is and that meets an electrical code which is quite a satisfactory code. The 240 may have an even higher electrical standard for all I know but it has all these others for mechanical, plumbing, installation, general structural quality and so on which are not proved nor

disproved, I would suppose, by some of the other standards. They are just not met in the sense of ever having been inspected.

I am advised also that there doesn't appear to be any economically practical way in which a home could now be assessed as to whether it meets or does not meet the Z240 standard. You could wind up by pulling panelling off and tearing the home apart in order to determine whether the installation and the structure were adequate and whether the plumbing met the requirements and the like.

There have been various ways taken by my ministry in order to try to help these people whenever we have had a case in which they haven't met the Z240. I know of no way in which we can deal with somebody in the north; you are talking, in effect, of hardship cases—how can we deal with somebody in the north any differently from someone in the south? The Act is clear, and I am obliged to live within the terms of the legislation.

Mr. Reid: With all due respect, I suggest that the next time you come out with a programme about which there is some question you ensure that the advertising is much sharper and clearer so that people particularly in the northern communities can get that information so they don't think they are doing the right thing and then find out later that they are put to a hardship.

Hon. Mr. Meen: There is one further point. I don't disagree with that. I say hindsight is a great thing. This was our first venture into a home buyer grant, and mounting an advertising campaign in a few weeks' time perhaps leaves something to be desired. It would be nice to have some precedents. I think it's fair to say that we've all learned a lot in the course of administering this programme over this past nine months.

There was one point that I wanted to emphasize and that is that the people in the north, like people in the south or anywhere else in Ontario, have a Zenith 8-2000 line which is clearly set out in the advertisement and which says: "You can phone us free of charge by dialing '0' and asking the operator for Zenith 8-2000." It's very clear, if they have any questions.

Mr. Reid: Have you ever tried to phone that number?

Hon. Mr. Meen: As a matter of fact, no, I haven't. Is it difficult? We have quite a number of lines but, I suppose, at peak periods they can wind up being busy. In any event, as I say, hindsight is great stuff and next time we'll do a little better.

Mr. Gaunt: If you have got two days, you might call it.

Mr. Reid: Next time you might use some more telephone lines too.

Mr. Grande: I have a further question of the minister, if I may. Out of the \$138.7 million for transfer payments, is there \$3 million or \$4 million which you supposedly will be saving as the result of changing the Ontario Guaranteed Annual Income Act? Is that reflected in that figure or not?

Mr. Chairman: Before the minister answers, that is actually item 2. Shall item 1 carry, then we'll recognize the question of the hon. member for Oakwood under item 2?

Item 1 agreed to.

Hon. Mr. Meen: I am advised the \$138.7 million is the net calculation after taking into account the amendment to the GAINS legislation presently before the House.

Mr. Good: Are the sales tax credits regarding production machinery included in this figure?

Hon. Mr. Meen: No, they are not.

Mr. Good: Whose ministry is that under?

Hon. Mr. Meen: It's under retail sales tax but we dealt with that in vote 902.

Mr. B. Newman: It is in the explanatory note.

Mr. Good: The explanatory note states the retail sales tax credit programme is included.

Hon. Mr. Meen: That's part of the Ontario tax credit. That's the portion of the tax credit programme where the claimant adds into his tax credit one per cent of his personal allowances.

Mr. Good: Under what ministry are the estimates of the refund on sales tax—the credit on production machinery? Is none collected or is it collected and then refunded in the form of a grant?

Hon. Mr. Meen: It comes under the retail sales tax item in vote 902, and it's simply a reduction in the revenues.

Mr. Grande: I really don't understand here. Are you taking for granted then that that particular bill will go through and will be passed?

Hon. Mr. Meen: When one puts one's estimates before the House he has to assume that the legislation proposed by the government will be passed. That is exactly why amending legislation of this sort is introduced immediately following the budget. That amending bill to which the hon. member is referring is a part of the Treasury budget.

Mr. Grande: So you are assuming that the Liberal Party is going to be supporting that amendment?

Hon. Mr. Meen: One assumes that the House will support the financial initiatives of this government.

Vote 903 agreed to.

On vote 904:

Mr. Young: The other day when we were discussing this whole matter of assessment, I spent a bit of time talking about the appeals that were now going through in respect to assessment of large properties in Metro Toronto and other places—commercial, residential, shopping, industrial and so on. I wonder if the minister could tell us just what proportion of his budget—what amount of money and what amount of time—is being allocated to fighting those appeals at the present time. That is a situation which we are facing now because we do not have any definite basis upon which assessment is now made. Perhaps the minister could give us some inkling as to what is taking place in that field and what resources are being expended to meet that challenge.

Hon. Mr. Meen: Mr. Chairman, there isn't; I don't have a precise figure, and I was going to say that there isn't any, but I presume that somewhere in our calculations we have an allowance for the conduct of these appeals. The appeals to which the hon. member was referring are ones—no, I may be mistaken; I must say that I directed my thoughts to the 30,000 appeals relative to condominiums. The other matters, the large industrial and commercial complexes—

Mr. Young: Hudson's Bay, the banks.

Hon. Mr. Meen: Yes. I don't have the figure. If the hon. member needs it, I'll endeavour to get it. I take it he'd like to have it; he wouldn't have asked me for it. I'll endeavour to get it for him. I don't have a breakout at the present time.

Mr. Young: Mr. Chairman, one other question. With respect to the valuation file, could the minister bring us up to date as to its

state at the present time? The file, I think, is a pretty vital part of the total assessment picture today in terms of revamping the assessment and bringing it up to market value. From what the minister said, I understand that file was started somewhere around 1974, with residential and vacant land first and the other properties coming in after that. How far are we from having that file completed? How much more work needs to be done on it?

Hon. Mr. Meen: Mr. Chairman, I think it was in the hon. member's opening comments last week when he suggested that we were having some troubles with the valuation file. I don't think that's quite the case; I don't believe we have any problems.

The file itself is completed and is being updated to include new structures built in the late 1975 and 1976; in other words, that's an ongoing process with the valuation file.

At the present time, I'm advised that each regional office has finalized what we choose to call adjustment factors or modifiers to adjust the valuation contained in the valuation file to current market value. Each region has received the computer run of the results of these adjustments on a property-by-property basis; in other words, they've got a completely detailed valuation run on every property. These are presently being checked, which means a physical attendance at the site to make sure that they're still there, that they're right, that it is a building thus and so, and that something hasn't been transposed, a number moved over or any of that kinds of things that can come up when you are going through such detail. When the check is completed, the valuation so developed will be merged with the standard assessment system.

I guess what happens after that is that when the merger into the standard assessment system has been completed, every one of the regions will receive a complete set of the assessment data sheets, which will include the old assessment on each property and the market value assessment, together with all pertinent details relative and relevant to that market value assessment. These data sheets will be distributed to the assessors on a neighbourhood basis. Each one who is familiar with his own neighbourhood will take these sheets out then and they will check all the valuations and make any necessary adjustments that they may discover. The standard assessment system then is updated to reflect these adjustments.

All of this, as I understand it, relates to residential. By October or so this year, we

ought to have the modifiers for the industrial and commercial areas. Those modifiers aren't yet complete for the commercial and industrial areas; they are complete, as I am advised, for the residential. When the commercial-industrial and the exempt properties which fall in that general category are being finalized—we hope that that will be completed by October, roughly, of this year and the modifiers for those worked out—then the work will be completed, and it should be possible then to finalize the studies with respect to the tax shift.

[3:30]

That's another reason why we are not in a position to advise, in every sense in every way, as to just what will happen with these tax shifts. The studies are going on, and when the modifiers are available in October or so, we should then be able to finalize our assessment of the tax shift within the industrial-commercial sector. That should be of assistance in the refinement of the 15 fundamental proposals which we have put forward in the Treasurer's (Mr. McKeough) budget statement as budget paper E, and should enable the commission to assess the 15 proposals and determine just how they should apply.

When all that's been done, and if the commission endorses the proposals or modifies them, and the government then, in the later part of the fall, is able to assess the commission's report which we want to have in by then, we should be able to take the necessary steps. In any event I would expect we would be in a position to prepare assessment rolls at market value and issue the notices, so that everybody then will be able to see the assessment on his property, with an estimated mill rate, which would be calculated by my ministry, assuming the same number of dollars would be required by the municipality as were required in, say, this current year, 1976. That taxpayer will then be able to look at all the figures; his market value assessment, the percentage applied to it—we are suggesting 50 per cent in the case of residential—times the mill rate that we would then calculate for each of the municipalities, to be the appropriate mill rate if they were operating on the same size of budget as in the preceding year. They will then be able to determine just how this affects them.

That's the schedule of things. I don't think as the hon. member was suggesting, we are in difficulty with the files. They are complicated, and there are many of these studies still going on for these modifying factors, as I have indicated, but in the next few months when it's completed for the industrial-

commercial sector we should have that information available for the commission, and I think they should then be able to report to us on time.

Mr. Young: I take it for granted then that the situation is well in hand so there should be no further delays as far as getting to market value is concerned—that the rolls will be returned for assessment for the tax year of 1978, without fail?

Hon. Mr. Meen: Mr. Chairman, that's our best educated guess. We ourselves are on target, and premising that the commission can bring us in definitive recommendations with respect to our 15 points, then I think we should be in a position to move on as scheduled. At this point, I anticipate no delays that would alter that situation. And I frankly hope that none occurs.

I have already said I would dearly love to have been in a position to have this in place now, and get rid of a lot of the inequities we know exist. But I think in the interests of the dialogue that we want to have with the municipalities and the other people directly affected, and in making sure that when this is put in place it's right, and that it works, that this delay is justified.

Mr. Young: We are glad to have that assurance that the programme seems to be now getting toward finalization. I suppose if another provincial election doesn't intervene to mess up our plans again in some way, then can we look forward to this thing actually happening, and many of these difficulties being—

Hon. Mr. Meen: You know, I have a great affection for the member for Yorkview, but he really does get pejorative at times, and there is just another example. I want to say to him it was not the election that intervened; these are steps that we did not anticipate in their totality, at the time when we took on the assessment in 1970. I can tell you that these steps are being taken, not because of any possibility of an election, or no election.

Mr. Young: Again, Mr. Chairman, I am glad to hear the minister assure us that elections have had nothing to do with delay in this regard. We were suspicious that they had. Now, our minds are set at rest, and we have the minister's word for it that the very thought of elections had nothing to do with this whole delay process. It's good to have that on record and now we are clear.

Just one other question—

Mr. Warner: They are very inconvenient.

Mr. Young: They are very inconvenient when the time comes but I am not disputing the minister's good faith in this. Of course, he doesn't make the final decisions over there. Whether someone else may have ideas other than this minister's as to the timing of this thing we are not certain on this side of the House.

I was just a little puzzled, Mr. Chairman, through you to the minister, as to where the electronic data processing work is buried in these estimates? There is no clear indication of where the expense of this process is. I suppose it occurs on various items in this vote and I wonder if the minister would explain to us where we can find the expenses which do occur in that field?

Hon. Mr. Meen: I am told it is in field operations. Data processing has a sum of \$993,000 and the development is \$450,000; I take it that is also in field operations. That's in the first sub-vote under administration. The \$450,000 is part of the \$840,900.

Mr. Young: Part of vote 904—the first part?

Hon. Mr. Meen: Right. The \$450,000 for development is part of the \$840,900. That's sub-vote 1 of 904.

Mr. Spence: I would like to ask the minister—I might say before I ask the question that in my riding I have a gentleman who has made a special study of site value assessment which is carried on in Australia and New Zealand. He has visited different municipalities, trying to sell site value assessment.

Did your department make any studies of site value assessment? I know you decided on market value assessment but this constituent of mine seems to have made a real study. What studies have you carried out on this or have you any ideas?

Hon. Mr. Meen: No, Mr. Chairman, I don't profess to know a great deal about the principles of site valuations. They are not practised here; I don't think they are practised in any jurisdiction in Canada. I don't know whether they are practised in any jurisdiction in the United States but I do understand that they are practised in New Zealand and in a number of other jurisdictions.

One of the catches in the principle of site valuation is that you just value the land; you don't value the improvements. It is an incentive to develop everything to its maximum potential and to do it right away. We don't think—my advisers tell me they don't think—

that this is really the way in which we should go at this stage.

The select committee and the Smith committee, I am sure—I must say I don't recall this clearly but I think that the Smith committee in the 1960s—made some observations about site value as a method of assessment and concluded that it was not the way to go. They did explore all methods and they ultimately concluded that going the market value route, which they recommended, was the best way to bring some kind of equity out of the inequitable and highly chaotic kind of arrangement we saw in those days with the 950 municipalities. The select committee certainly endorsed that and, of course, what we are doing today is an outgrowth of it.

This whole question of site value assessment keeps coming up. There are people who really do think—they are convinced themselves—that it is the greatest thing since sliced bread. Really, I think—and I don't want to sound unkind—it's a rather simplistic approach to an extremely complex subject, that being of assessment. A person who owns some vacant land next door to a large metropolitan area could very well be taxed into oblivion by site value assessment, because he would be taxed on the basis of what that property should be worth if it were developed like the properties next door, and if they happened to be 40-storey industrial or commercial complexes then he would be assessed accordingly. The money has to be got somewhere to run the municipalities and our view has been that it should come based on the market value of the piece of bricks and mortar that happens to be there in the municipality, rather than by looking at it on the site value approach.

Ms. Bryden: Mr. Chairman, I gather that the progress in the reassessment pretty well covers residential but that the commercial is not yet completed. I don't think the exempt properties have been assessed at market value yet. I understand the farm assessment is still on the basis of farm value rather than market value. I don't believe unorganized territory has been covered and yet the proposal for the commission is that it be brought under the provincial assessment.

Since there are so many parts of the picture missing for a true impact study, it's hard to understand how anybody can appear before this commission and discuss the proposals for changing the property tax base and the property tax system and the business tax system, with the little information that is available. I would just like to ask the minister if I am correct that all these gaps are missing and that the impact studies have not really been

completed and will not be completed until October when the commission is supposed to report? How is it possible for people to appear before the commission and comment on the proposals to offset the impact if they do not know what it is?

In the budget paper there is a sample impact study given for the regional municipality of Niagara, but it would appear that this is only a sample and that other areas will not know what the impact is and how these possible shifts are going to occur. It seems to me that we would like to know why we have waited so long for these proposals of how to deal with the impact of the reassessment. For six years we have known that this shift was going to occur from commercial and industrial to residential, and yet at the 11th hour, six years after, we are given a few months to review some proposals for dealing with this without the information really being available.

In that time the department has spent \$211 million up until March 31 of last year and is asking for another \$43 million. Administrative costs have risen greatly. In 1973-1974, for example, the administration vote that we are looking at now was \$217,000 and it's now \$840,000—almost four times as much—and yet we still have nothing really to show for it in the way of reassessment and information on which we can base proper reform of the municipal tax structure. If it wasn't the election, what was the cause for this long delay when we have known that this shift was going to occur?

Secondly, the minister has given us his complement reduction and shown with some pride that they have managed to reduce the complement somewhat—since the results are so intangible, one is not surprised—but he hasn't given us the figures on the number of contract and casual employees, which seems to be always the missing link in any of these statements about reduction in complement. I would like to know if he could give me the number of contract and casual employees as at March 31 for 1974, 1975 and 1976, so we can compare and see whether they have gone up when the complement went down.

[3:45]

Thirdly, I would like to ask him if there is any consideration being given to provincial aid to the municipalities who are being asked under the proposals—the 15 proposals for tax reform—to phase in any tax increases that may come from the reassessment to market value. It would appear that the proposal is that the municipalities will pay for the phas-

ing in or, in fact, the other taxpayers in the municipalities will pay for the phasing in—because certain people whose taxes should go up according to the market value assessment will not go up as much as they should. This means that other people's taxes, which should go down, perhaps will not go down as much as they should because of this phasing in.

It seems to me if you are going to have a phasing-in programme, the entire population of the province should bear the costs, rather than just the particular taxpayers in a given municipality. There will certainly be resistance to phasing-in programmes if the entire cost is left to the municipalities.

And then, as far as those bodies going to be made taxable under the proposal—those which have been exempt up till now; hospitals, school, conservation authorities and so on—are there any proposals or plans for adding to the grants for these bodies? They are all non-profit bodies dependent on other levels of government to provide them with funds, or on the local taxpayer. The proposal that the tax base should be broadened by extending it to these exempt properties is really just taking money out of one pocket and putting it in the other. In some cases, it's taking it out of a municipal pocket and putting it into the provincial pocket. It should be the other way around; if you are going to tax those bodies, the province must supply the extra money to cover their extra taxes and then the funds will then flow to the municipalities.

I think those are the three questions that I have at the moment, Mr. Chairman.

Hon. Mr. Meen: Maybe my arithmetic is off, Mr. Chairman, but I counted four questions in all.

You are asking us about the cause of the delay—and I don't know how many times I have to talk about this. But I guess the hon. member wasn't in the Legislature in 1972-1973 when we had to extend the time at that stage. You see, we had brought our assessment roles up to a virtually complete situation, but they weren't computerized. They weren't designed at that stage to follow any rapid escalation in market value. That, incidentally, is the reason for the apparent divergence of opinion on the part of my predecessor, and myself, when he stated in 1973—and I believe it was the hon. member for York who quoted it at this time—that "assessment was complete."

He was talking about assessment according to the mechanism where you did not use computerized systems. You did not have any

facility at that stage for an ongoing update from almost literally day to day as the market values fluctuate through the course of the year—I suppose peaking in May and June and dropping through the summer and rising again a little bit in September and tending to drop off and so on through the winter months and then swinging up again in the spring.

He was talking about just a straight mechanical system of assessment; and it was virtually complete at that stage, as he indicated. But beginning in 1972 and going on through 1973 and into 1974 we experienced—we all know this—an absolutely dramatic and almost frightening escalation in the market values of real estate. This was particularly evidenced in residential accommodation—but not so evident, say, in the values of apartment houses and the like, which tended to remain constant.

In the case of residential accommodation, prices started to go right out of sight, and our assessment people just could not keep up. We then had to go into the computer system, which we now have in order to be able to keep current with the market, regardless of how quickly it may fluctuate. That is why we have had these two different dates, but it was one of the major reasons why my predecessor had to extend the time of the freeze and the time for bringing in the market value assessment, so that we could bring in that far more sophisticated arrangement for computer processing and generally handling all of the millions of assessed properties in this province.

So when the hon. member says, "If it wasn't the election, what was it?" I don't know how many times I have to tell her—and no offence intended, Mr. Chairman—but that's the real reason, regardless of how cynically she may be inclined to look at some of the other things that have happened here in the province over the last while.

Ms. Bryden: Could I ask a question concerning that, Mr. Chairman? It seems to me that computer systems were used in assessment in other jurisdictions for a good number of years to use market value prices in order to update and keep assessments in step. Was the idea of using a computer system rejected—I know that this was in your predecessor's time—at the outset and it took us three years to discover that a computer system was essential?

Hon. Mr. Meen: I'm advised that it took us three years to develop the system, so it was really coming along. Perhaps it was inevitable that it would have been brought in,

but ultimately, by 1973, it became essential that it be used for the purpose of market value assessment rather than the refinements that might have come along at a later time.

The hon. member was also asking about contract employees as of March 31 for each of the years—what, 1974, 1975 and 1976? I'm advised that they were huge. There was all of one.

Ms. Bryden: Contract and casual?

Hon. Mr. Meen: I'm advised, yes; contract and casual, one.

Ms. Bryden: In each year?

Hon. Mr. Meen: In each of those three years I'm advised that there was one contract employee as of March 31, 1976, 1975, 1974—and I don't know about 1973.

Mr. Good: The same one?

Hon. Mr. Meen: I believe it was the same one.

Mr. Good: You get rid of them all except one by the end of the year.

Hon. Mr. Meen: I'm advised that the gentleman has died so we don't have him any more. So, at this moment, we have none.

Ms. Bryden: Excuse me, Mr. Chairman, does that include casual employees too? You had no casual employees at all?

Hon. Mr. Meen: I'm advised by the staff we have had no casual employees on those dates and in the assessment division, which is what we have been talking about.

The phasing in; I would like to get some advice from the commission—we'll be looking forward to their words of wisdom—to suggest how the phasing in takes place. There are, and I mentioned this figure before, 270,000 properties that weren't on the assessment rolls at all. There's no phasing in for them; they're already in now and they are being taxed like anybody else. There are others that are being assessed at a small fraction of what they should be assessed.

If one assumes that residential assessments here in Toronto run at, say, 10 per cent of fair market value, there are some properties that are running at, as a wild guess, maybe two, three or four per cent of fair market value — maybe even less than that — being frozen at those assessments based on legislation passed in 1919 giving recognition to returning war veterans. The city of Toronto still has some of those properties; I'm advised that

there is no other municipality in Ontario though with that similar kind of, in effect, exemption.

Certainly it's very beneficial treatment for those owners. Those owners are, in many cases, not the same people as the people to whom the benefit was extended in 1919. I guess the question comes up: Should you have a transitional period for them? They've been getting close to a free ride for quite a long time. Or should you not bring them right onstream instantly at a fair part of the market? These are questions to which the commission will, I'm sure, direct some thought.

I don't know what the real answer is. There are some people, I suppose, who have paid a disproportionately high price for a piece of real estate because of its very attractive tax nature. Suddenly they're being deprived of that tax benefit and they're going to lose some inherent value in the property because of the loss of that tax position.

Of course, if one does not bring these in instantly the other people in the municipalities are bearing a part of that, but if one stages it over four or five years, which way is the pain worse? To those who bear a little bit of it, say of you're staging it over five years, 80 per cent of it the first year, 60 per cent of it the second, and so on, whereas with the individual you are raising his by that same amount? Or is it better to get it all over at once and raise his by several hundred per cent where you, in those instances, probably don't reduce all that dramatically the amount of tax the other people are paying?

I'm sure my colleague, the Treasurer (Mr. McKeough), and all my other colleagues in cabinet, will be interested in getting the views of the commission as to just how the phasing-in process should go. It might be that they would recommend that we treat some of these differently from others. There may be all kinds of variations on the theme which I haven't thought of and which they may be able to think of when they have the benefit of the advice from the municipalities.

I'm told, incidentally—and this was not a question raised by the member directly as a question, but she raised it in the course of her observations—that the modifying factors for the exempt properties, industrial and commercial, which aren't totally developed yet, will be available for the municipalities by Aug. 1. They should be able to move on with their own studies and the commission with its studies to determine the significance of

any shift and just what should be done. It's fine for the member to talk about our knowing that there would be shifts from one class to another; knowing it for six years she said. Well, I can tell you, Mr. Chairman, we've known it for 10 years—nine years anyway, since 1967—and that really isn't the point. What we've known in that period of time is that there would be a shift from the industrial-commercial sector on the one hand to residential on the other.

The city of Toronto did quite a comprehensive study of the Smith report and told us the degree of the tax burden shift were there to be no factoring involved; in other words if everyone were just assessed at market. That's an extremely simplistic thing in itself and we've known we couldn't possibly do that. So, recognizing, with the studies we did—the hon. member referred to Niagara—the studies we did of Niagara showed us that there would be a shift unless there were a factoring down of the residential class of something like 60 per cent, I guess, and we're recommending or suggesting 50 per cent as the factor, to make sure that there is no significant shift in a municipality from the industrial-commercial sector on the one hand to the residential on the other.

We're not setting out to burden the industrial-commercial sector with greater taxes, notwithstanding the fact that they can set off those taxes against their taxable income. We're not setting out to that, but our goal rather is the other side of that coin, namely to see that the residences are not burdened with a higher percentage of the tax than is presently the case.

The hon. member was also asking—and this was her fourth point—about hospitals, schools, and she may have mentioned universities, otherwise tax-exempt properties. I believe the statement has already been made and confirmed that these bodies, the hospitals, when they pay their taxes in the usual way to the municipality, would show that as an expense and the provincial grants to the hospital in that case would be enriched by that same amount, so that there would not be any additional burden on the hospitals per se, or the supporting bodies, whatever.

[4:00]

I am not sure how that would work in the case of schools in a municipality, because it sounds as if it's taking out of one pocket and putting into another of the same taxpayer. But certainly for hospitals and universities, in which there is a distinction that I think one can legitimately draw between the two, I am advised that there would be enriched grants

that would take up the amounts of those payments that they would be making as taxes so they should not be additionally burdened in any sense.

Ms. Bryden: Mr. Chairman, can we expect the impact studies across the province to be available in time for people to see whether the 50 per cent factoring is going to be adequate in all cases? On the basis of Niagara you may draw one conclusion, but it may be quite different in other areas. I think it is very important that the people concerned know what the impact is going to be in their own area.

Hon. Mr. Meen: Mr. Chairman, I think the intention is that these studies would be available to the commission—and the commission I expect, is going to be holding public meetings—as well as, of course, to the municipalities; therefore I think one can consider that with the municipalities being advised of the significance of these steps, that it's going to be public. I don't think there's any question of it not being public and I would hope that there is no such question.

I want everybody to be able to look at his assessment notice, along with the results of the commission—this is the next step down the road, I suppose—so that he will know just what is happening with his property and his potential tax liability. If he finds it is out of line, then of course he would have this information within an appeal period so he could take it through the necessary appeal steps.

Coming back to the basic principle that I think the hon. member is getting at; that is, that beginning in early summer—no, I guess that's not fair; I am told late summer—the municipalities will have all the information they need, not just in the residential sector but in the commercial-industrial sectors of their municipalities too. They will have all the information, including these adjustment factors, so that they will be able to analyse it for themselves. I am sure that's as public as one would ever need to have it get.

Mr. Good: Mr. Chairman, I think we have actually spent a great deal of time on this whole matter, both in the leadoff speeches and recently; the minister undoubtedly will have some input into the final results, but I suppose the final policy will rest with government as a whole. There are some things I would like to ask about and a few comments I would like to make.

It is significant to me that I still feel the same as I did back in 1968, when I think it was in the first speech I made after I came into this House that I said it was imperative

at that time, the way assessment was going across the province, that there should be uniformity and that the use of certain assessment handbooks should be made mandatory by all those who are engaged in the assessment process, because it was obvious at that time that those municipalities that were doing their assessment according to recognized practices had no trouble with their assessments. Within the taxation area, they had everything assessed on a basis where there was a degree of equity according to the social conditions of that area and the acceptability of the amount of tax that should be paid by residential, commercial and industrial.

The province saw fit at that time to throw the whole business out the window. Now we have messed around for seven years, and it is going to be eight years before we bring in a new system about which there is no guarantee whether there is any equity or not. I shouldn't be bringing this up every year—but had the province at that time looked at the areas where people were not doing their assessments properly and enlarged some of the areas to a county basis for assessment, rather than have your kitchen-table assessments done by some part-time clerk back on the last concession of the township, I think all of this could have been avoided. Considerable inequities and hardships have resulted to municipalities over these years by the freezing of not only the assessments but the freezing of the equalization factors that are used within county and regional municipalities, and by the freezing of the factors that are used by the municipalities for the grant purposes. And we still have a mish-mash right now. You have market value assessment operating in certain areas of the province which, for two years or three years, have not had the advantage of your proposed factoring system. Now you say you recognize the shift. It's not too many years ago since the present Treasurer of the province called me and members of my party—I forget what the words were—in effect we didn't know what we were talking about because we had mentioned there would have to be a modifying factoring system either on the assessment or on the tax levied within the municipality.

I don't remember this government ever doing one thing about it at the time or raising any opposition to the great shift that occurred in the Peel and Mississauga areas when market value assessment went in. Nor did it do anything in my own region when market value assessment went in. You accepted the whole thing that market value was the be all and the end all of everything. Now you are

beginning to admit that it isn't; that things happen.

Now, I've a few direct questions. First of all, you mentioned that you are on computer and can push a few buttons and bring your market value assessments up to date. How then do you account for the fact that market value assessment all across the province—not only in those areas where it now is a reality and has been a reality—bears no resemblance to present market values—nor did it at the time when the assessment was made? Secondly, why is it that those areas where they have had two or three tax bills already no adjustments have been made in those assessments for those tax bills? I talk of Grey and Bruce and the Parry Sound area; I believe there is another one down in the Ottawa area which is already on.

Another question I would like to ask is if these assessments are not adjusted annually—which they haven't been—is it your intention that assessments will change annually to keep in touch with market values? If they do, what do you expect to do about commercial and industrial assessments which, by your own admission, you don't base on market value but on replacement cost less depreciation? How are you going to keep them up? If market value for residential properties keeps going up and should building costs remain static we are going to have greater inequities in there.

The other thing I would like to know is if the proposal as spelled out by the Treasurer in his notes to the budget were accepted, would the present market value assessments, which are now in force in areas like Grey and Bruce, suddenly be readjusted so that a residential assessment—which now has an 85 per cent tax bill—would be reduced to 50 per cent and the industrial would go up to 100 per cent? In other words, we would then have another juggling around of the assessments and a revaluation of the tax rates in those areas. I think that is important. It has to be important to the people of those areas who have already had the trauma of being thrown on market value assessment with the shifts which did occur in that particular area.

When the minister answers those questions I have a few others I would like to ask.

Hon. Mr. Meen: I didn't have any discussion with the people in Peel and York when they decided to go to market value assessment. That was sort of before my time—in the ministry anyway; I was a private member in the House in those days. I think we all knew that there was the potential of

a shift to the residential quarter if they did not have the benefit of factoring and, of course, without appropriate legislation they would not have that benefit.

I can tell the hon. members that roughly four years ago when I was in Treasury and Economics and Grey and Bruce came to see us seeking authority to go on market value, I pointed out to them that there was every possibility there would be some pretty dramatic shifts, in some cases, of the tax burden in some quarters. For example, in the town of Hanover it was evident to us that there would be a shift there and the taxes would go up.

In Muskoka and in any of the other districts in which we have permitted a return to market value assessment, we have been very careful to tell the people involved that we would expect a shift upward in the tax burden on the residential sector—at least to some degree. And we would only authorize it if the percentage of commercial-industrial assessment in the municipalities concerned was low compared with the total assessment. Coupling that with the obvious gross inequities that prevail in these municipalities—there were some terrible ratios of assessment for similar types of value of accommodation, particularly in the residential end.

So one weighs the advantages of going to a more or less even form of assessment at market value on the one hand against the unavailability for at least a two- or three-year period—it didn't look like that long when we did it; we thought it would be in, as you know. But it looked like a fairly short period of time in which there might conceivably be a shift of the burden from the industrial-commercial sector on the one hand to the residential on the other.

The hon. members have asked about what might happen with Grey and Bruce and Peel and York and so on. I wasn't aware of the percentage which the hon. members for Waterloo North or for Grey-Bruce refer to. Did the hon. member for Waterloo North say 85 per cent for residential?

Mr. Good: No, that's the rate levied.

Hon. Mr. Meen: I simply don't know what that would be. If it's running at, say, 85 per cent or something—

Mr. Good: I would say it's less than 50 per cent now.

Hon. Mr. Meen: If it's less than 50 per cent of fair market value, then at least the assessment would come in by way of a small increase.

Let me just illustrate the problem. Peel went to market value assessment in 1968 or 1969 and it purported to be reasonably even and consistent across that county. But then market values have gone out of sight there too.

Mr. Good: Texaco and those other industries—their assessment went down something terrible.

Hon. Mr. Meen: Illustrating the same point I'm making, it might well be that we have to see that these assessments, when applied, are applied in such a fashion that they do not increase the tax burden on the residential taxpayer. He obviously can't deduct his taxes from any earned income—that is for the purpose of calculation of income or corporate tax.

The municipalities that went to market value assessment did so to overcome gross inequities within their classes. I presume they accomplished that reasonably well. But other factors entered the picture and that is why we're having to do these studies—to make sure that when we put the entire province on to this principle of market value assessment the burden on the taxpayers is equitable. As mentioned earlier by the hon. member for Beaches-Woodbine (Ms. Bryden), we also must ensure that the transition period doesn't hurt them too much, but is fast enough that it doesn't leave the inequities outstanding for too long a period of time.

Mr. Good: On that question, if things are on the computer, why have there been no adjustments in those areas where you already have market value in operation?

Hon. Mr. Meen: I can give you an answer to that one. The fact is that if you'd asked for it two months ago we couldn't have given it to you. The computer just now is into the stage where we are able to do this. So it's not a matter of doing it in the past to determine these adjustment factors and the other information that must go into the computer. We are only now at this stage. I'm not even sure the extent to which we could do it across the province today. But it is only now coming on stream in that sense.
[4:15]

Mr. Good: What is of concern to me, Mr. Chairman, is that if you're going to adjust market value assessment—in my own region of Kitchener-Waterloo it was two years ago when the land speculation tax came in. At that time I was told—and I think you agreed with the figure—that the market value assessment represented about 65 per cent.

If there is going to be an adjustment in the residential market value assessment on a year-by-year basis, once we do get on it, what do you intend to do to keep industrial assessment in line with the changing values of residential properties? Let's face it, residential property values do change more often and within greater limits than does industrial assessment.

Hon. Mr. Meen: The question might also be raised with respect to apartment buildings, the values on which don't change as dramatically upwards as appears to be the case with normal owner-occupied residential accommodation. I think basically it is a question of the 50 per cent—if that is built into the Act, is it engraved in stone or not? I would say no, it wouldn't be. We would have to review every while the percentage of assessment that was relative to residential accommodation as opposed to 100 per cent assessment for industrial and commercial properties and make sure that, as values rise and therefore new market values are applied, there is not an unjust application of the burden into the residential quarter. My colleague from York North (Mr. Hodgson) just points out that there could be a decrease too as well as an increase, which may not always go on the way we have become accustomed to seeing it over the last 10 years or 15 years.

Mr. Good: Market value is what a willing buyer pays the willing seller. You have those figures from your monitoring of sales within the various areas but obviously you don't intend to keep your assessments at market value; you are going to keep them somewhere else. Within what limits do you intend to keep them, because—

Hon. Mr. Meen: The hon. member just doesn't perceive the principle of market value assessment because indeed assessments will stay at market value, however market value moves.

Mr. Good: Look at the assessments in the places where you have it in operation.

Hon. Mr. Meen: Well, of course it doesn't there, because they are not on the computer arrangement that reflects the values in the market today, where when the values go into the computer and we see the computer values spewing out the imputed market values to properties that haven't been trading in the marketplace, we will see that it does reflect the way in which the values are going up and down, once this is all in place.

Mr. Good: That is the point. Then to clarify, if your theory is correct you are telling me that within three years from now, the assessment notice will show the actual market value as it is reflected by the sales of that type of property in that area. If that is what you are telling me, that is a totally new concept that has never been projected in this House before, and I just have difficulty believing it.

Mr. Chairman: The hon. member for Wel-land.

Mr. Good: He is trying to get out; that's for sure. I have some other things too.

Hon. Mr. Meen: What I am trying to say is that the computer will reflect on an almost daily basis the value of any particular piece of real estate as reflected by sales of comparable pieces of real estate in the area as those sales go on. When the assessments are made, and the proposal is that they will be made once every two years, then there would be a change in that assessment for tax purposes once every two years, and that change may be up or it may be down depending upon what has occurred at the time when the assessment is established and the line is drawn and the computer says that's the assessment for tax purposes. It is good for next year and the year after that, or whenever, if we go to a two-year basis, as one of the proposals suggests.

Mr. Good: One other matter that I would like to discuss is the proposal that is shown in the supplementary papers of the budget as it relates to bringing business tax in line at 50 per cent. This has been talked about for some time and it is something which I am personally opposed to. I think the inequities that will result here will be equally as apparent as would the shift in regular taxation from industrial. If we look at the Treasurer's table on page 4, it's obvious here that those who are going to receive the largest increase in business tax are the same people who are going to receive increase in their regular tax, and they would be your small merchants, professional retail merchants, the retail stores, and I'd just like to cite a few examples here.

If the present retail store business taxes increase from 30 to 50 per cent on an assessment of \$10,000 as it exists now—which would be \$63,000 under new proposed taxable assessment—business tax would increase from \$60 to \$630. Now that's your small retail businessman; raising his business tax from 30 to 60. In other words, you want to level everybody out; everybody in business is go-

ing to pay the same amount of business tax related to his assessment.

All right, well, business tax is a tax for doing business, and in my view it can be more properly reflected in the type of business which is related to the amount of business and really the prosperity of that business.

On the other hand, the financial institutions and the wholesalers, along with industries, are going to see a tremendous reduction in their tax as they are reduced, from 60 per cent in the case of industries and 75 per cent in the case of the wholesalers and financial institutions, back to 50 per cent. So here you're asking, under this proposal, to have the small retailer, business and professional man, bear the burden of industry and wholesalers and the banks and the trust companies. Just as an example, a wholesaler's present business tax of \$900 would be reduced by \$370 and his total tax bill reduced by \$510. Industry on the average would receive a tax bill of about \$570 less on a present \$10,000 assessment.

The thing I want to really zero in on, which I think reflects the fallacy of the whole argument, is the present business tax on distilleries and breweries. We went through this in private bills committee six or eight years ago, when it was reduced from 150 per cent to 140 per cent. The proposal then was that it be reduced from 150 per cent to 100 per cent.

The Province of Ontario has no feeling of guilt or no compunction in deriving great sources of revenue from the distillers and the brewers of this province in the form of tax and markup, and it's our fifth highest source of revenue. The municipalities in which these distilleries are located have relied heavily on the business tax from these people to raise additional sums. How can one justify the fact that the province wants to make money on this type of business, but it's not going to allow the municipalities to do it? You're saying that the distilleries, which now pay 140 per cent business tax, should have their business tax cut to 50 per cent, which, in the case of a present \$10,000 assessment would mean a reduction of \$1,230 in taxation.

At the time that that proposal was in the private bills committee—to reduce the business tax from 150 per cent down to 100 per cent—I did some checking and it would have meant, in my own municipality, for instance, something over a one mill burden to be borne by the rest of the taxpayers. The member for Essex North (Mr. Ruston) did some check-

ing in his municipality and he found that it would have been more drastic than that in one of the rural townships in which Hiram Walker's had great facilities.

There is just no way, in my mind, that you can justify the levying of a business tax. A property tax, all right, that's related to the property. Business tax is really—well, it's just a gravy tax that one pays to the municipality for the privilege of doing business. In my view, the more prosperous the business, the more business tax should be paid. And certainly a bank or a trust company or a distillery or a brewery is a more likely and acceptable source of taxation than is the small merchant, or the business or professional office.

I just think you have to rethink that whole matter of standardizing the business tax at 50 per cent for every business across the board—that means your little nickel and dime store, your "Mom and Pop" grocery stores, the retailer on the block, the hardware store and the florist. Everybody is going to be saddled with roughly a \$330 increase in taxes on a \$10,000 assessment, while they see their friendly banker down at the corner paying less taxes; they see the wholesaler and the industrialist paying \$570 less; and they see the distillery across the road paying about \$1,250 less in business tax.

Mr. Chairman, to the minister, I would ask that he personally give this some further study and not standardize anything. Nothing is accomplished by standardizing a percentage of taxes among such a variety of classes, but in the light of acceptable social practices within our community, if the province wants to make money out of the liquor industry, I don't know why they should suddenly say that municipalities may not.

Hon. Mr. Meen: Mr. Chairman, I want to point out to the hon. member that the 15 points which have been proposed in budget paper E are not engraved in stone, and the 50 per cent is not engraved in stone.

Mr. Good: No, I know. But it has been talked about for eight years by the Treasurer.

Hon. Mr. Meen: Okay, but let me remind the hon. member—though he didn't have, as I recall, the pleasure of sitting on the select committee in 1968—that the Smith report recommended 50 per cent business tax right across the board. The select committee that reviewed that didn't entirely agree with the Smith report because it went on to say: "Make real estate tax 50 per cent as well of fair market value." But the select committee,

having studied all that, and having heard submissions from all quarters, suggested that there be a single rate of business tax. The committee did not necessarily agree that it should be 50 per cent. Perhaps it should be 40 per cent—or whatever.

I noted what the hon. member was saying about the breweries. I guess they have always been considered fair game, with 140 or 150 per cent on that part of their operation dealing with the production of consumable liquors—which happens to be about 25 per cent of the total operation of most of the liquor distilleries. The remaining 75 per cent is on commercial alcohol, which is at a rate of 60 per cent. So it is not that they are being reduced in the whole of their assessment from 140 per cent down to 50 per cent, if it should be adopted as a standard rate—or 40 per cent, or whatever, if it should be taken as a standard rate—but rather that 25 per cent only would be subject to that reduction—a very attractive reduction, I gather, from their standpoint. The remaining 75 per cent in round figures would experience a reduction from say 60 per cent down to 50 or 40, or whatever.

Now, again, I just want to emphasize that this is just a recommendation. It might be that the commission, in hearing from perhaps the representatives of the city and the municipalities which the hon. member for Waterloo North has the privilege to represent, might say to us that they thought that that was not an appropriate simplification of the tax structure. It does happen, though, that a committee and a commission that have looked into this have concluded that it did seem to make good sense to standardize at one rate.

But I think we will await the word from the commission before we take any action on this. Obviously, we will await their views. But it is just one of those points we want to hear from them about.

Mr. Good: I have just one more response to the minister. Leaving the distilleries out of this, and looking at the industry rate presently at 60 per cent, or even the wholesalers at 75 per cent—you know, a corporation has two things it can do. If the business tax stays at its present rate, or if it goes up—or anything goes up—it either has to reduce the dividends to the shareholders or recapture their payment in the price of their products. They may reduce the dividends to the shareholders the first year, but that's not going to go on more than maybe one year, so they do have an opportunity to recapture their payment. But if you are going to shift this

burden now presently borne by industries on to the residential tax—because that's what will happen—every reduction you give the industry is going to be shifted on to the residential property tax in that municipality. You know that as well as I do.

[4:30]

You say you are not raising them, but that's the general effect when you reduce the business tax on industry. It puts the burden on the residential community, because naturally the municipality has to have a certain amount of money. If you are planning this shift to the residential property owner, I hope you make it abundantly clear why you are doing it, why you feel industry should not be saddled with 60 per cent business tax instead of your proposed 50 per cent, and all of this will then reflect on the residential property owner within the municipalities and that's where the crunch of it all comes.

Sure, Mr. Chairman, it would be very nice to reduce the tax, but let the tax fall on those best able to pay.

Hon. Mr. Meen: I shouldn't prolong this—the hon. member for Welland-Thorold (Mr. Swart) has tried to get up about half a dozen times, so I will be very brief. The 50 per cent figure, I am advised, is very slightly higher than the statistical average of all the business assessments in communities; very slightly higher. If one were to set 40 as the average it would be significantly lower than the statistical average across the municipalities of the business tax assessment.

The point I am making is to refute what the hon. member for Waterloo North has been saying about a shift to the residential, if anything it's an increase in the burden being paid by the commercial sector, a very, very slight increase, but not a decrease, as he has been suggesting.

Mr. Swart: Mr. Chairman, I guess I have finally made it after about six tries. A great deal of the discussion on this estimate so far has taken place around the so called reform in tax and assessment, the statement in the budget. I am not going to deal with that a length now, first of all, because I am going to have more to say about it in the budget debate, but at this time I am not going to say a great deal about it because I want to go into another issue, but I do want to state that in my view, and I think it is a considered view, that the reform is not going to accomplish what they say it's going to accomplish. It's primarily a political document.

I think it has already been pointed out by the minister here, when there is any objection raised to any part of it, he says, "Well, that's not firm." Yet the government brings forth this document as a display item for the public to see. I think it's worth going into in some detail but it's not going to provide the benefits that they say that it's going to.

It is not going to reduce the percentage of property taxes paid by the residential property owners at the rate that market value of houses is increasing. It is, as has already been pointed out, going to shift a tremendous burden on to small business. It is going to give tax concessions to the large corporation, and there can be no doubt about that, and it is going to hurt tremendously community associations, which are going to have to pay a level of taxes that they have never ever had to pay before.

The point I want to discuss, and I think it will be fairly briefly, is a tremendous injustice that exists under the present system. It's the tax concession that's given to a certain group, and that group is the developers and the speculators. They are the greatest beneficiaries of the present property tax system and, under the proposals, will continue to be. What they are getting away with in this province could, and I think ought to be, classed as the greatest tax scandal in the history of this province, particularly because they are consciously aided and abetted by deliberate loopholes in government policy.

The Assessment Act, section 27, provides that land must be assessed at its market value, except farm land used only for farm purposes. Throughout much of the province all properties are assessed at a given percentage of their value but by and large there is some degree of equality between the various properties, including farms that are farmed by farmers. It is not so with the speculative and development land around the cities. No recognition whatsoever is given of its real value in relationship to residential or other taxpayers.

Let me give this House two or three examples of what I mean. In October and November 1974, for \$1.092 million OHC purchased 45 acres of land in Welland from River Realty Ltd. and Doro Investments Ltd. for a HOME housing programme. A start has now been made on constructing the 196 single-family homes on the properties. The assessment to River Realty Ltd. and Doro Investments Ltd. at the time it was purchased by OHC for \$1.092 million was \$1,350 or 1/735th of the market value of the property which the government paid and it claimed

at a meeting there that it paid the correct market value for that property.

In 1975, those companies paid general land taxes of \$143.23—and I hope the minister would note this—on that property in the year in which they sold it for over \$1 million. Even under the present method, each lot will be assessed at between \$400 and \$500 and three homeowners with 50-ft lots will pay as much taxes on their land alone as the total paid by the speculators on the whole 45 acres.

Land and buildings in the Welland area, according to the government's own equalization factors, are assessed at 24.4 per cent of value. Of course, that value is a value of several years ago and, in fact, at the present time they are assessed at about 12 per cent of the value. Even at the minimum 12 per cent figure, on a market value of \$1 million and \$92,000 River Realty and Doro should have paid taxes of \$13,500 instead of \$143. I say to you, what a ripoff. It's condoned and abetted and, in fact, is a result of the policy of this Tory government.

Let me give you a further example. Birchwood Builders in the St. Catharines area, a speculative developer, is promoting the growth of St. Catharines, and with considerable success, into the best fruit land to the west of the city—the best fruit land in North America and probably in the world. The company has a lot of close help. Langendoen Investments Ltd., Berol Development Ltd. and Paramount Property Co. are also large land promoters in the west St. Catharines area. So close are they to Birchwood Builders that they all share the same business address in St. Catharines; and even though they are destroying the best agricultural land in the nation, they enjoy the same delightful property tax concessions that the Ontario government provides to all the developers.

In 1965, a parcel of land comprising 13.937 acres located in the Martindale area, was sold for \$27,310. It was resold to Birchwood in August, 1974 for \$256,040. In December of that year, it was transferred in trust to Langendoen at an undisclosed value. That property, which in 1974 was sold at over \$250,000, was assessed at \$3,100 or 1/83rd of its 1974 market value and paid taxes of \$339.54 in 1975. That's one of the better ones.

There's another property which was bought by a Mr. Heranden in 1943 for the sum of \$5,000. It was bought by Birchwood in 1974 for \$150,000 and was sold by Birchwood in December, 1974, for \$430,000. The assess-

ment on that property is \$2,800, 1/155th of the market value of that property.

I say to you that I'll be providing more of these kinds of statistics when we get into the budget debate.

The crying injustice of these condoned rip-offs by the developers and the speculators is not just that they're pocketing the proceeds, it is more that the taxpayers have to pick up the tab for their exemptions. In the St. Catharines-Thorold area alone, speculator-developers hold at least 3,000 acres of undeveloped land with an average value of more than \$12,000 an acre. Using government equalization figures, again adjusted to the current value, the tax paid on that value should be half a million dollars instead of the approximate miserly \$25,000 they pay at the present time.

In the city of Thorold, property taxes would be lowered by four mills if developers paid taxes on the value of the holdings at the same ratio as homeowners do. The taxes would be lowered by four mills. Transpose the situation to all other cities around the province and the amount of taxes other rate-payers are picking up for the developers totals tens of millions of dollars—I'll stand by that figure—all by courtesy of you, Mr. Minister, the Treasurer and the Ontario government.

The injustice of other property owners having to pick up huge tax levies for the developers is, however, only part of the public ripoff. The artificially low taxes encourage developers to acquire and hold in near or complete monopoly all of the lands around the city which can be developed to the year 2000. That is the situation at the present time. In most urban areas, this has been a phenomenon which has occurred in the last 10 to 15 years. Prior to that time there were little local developers who acquired the land as they needed it.

Very obviously, when the speculators can hold land whose value escalates on their own initiative year by year, and they don't have to pay taxes on it, they are going to tie it up in speculation and with this government, they really can't lose.

I say to you, and I say this in all earnestness here this evening, that we need a new interpretation now to section 27 which says farm lands get the exemption when they are used only for farm purposes. These lands are not being used for farm purposes—that doesn't say they have to cultivate them—they're being used for speculative purposes and they should pay taxes on that basis.

Or, simply, you can add a clause; you can make an amendment which would say farm taxation will apply only to an owner whose principal occupation and income is farming. I am in favour of giving farmers the tax exemption and it can be accomplished. It isn't that difficult to accomplish by a simple amendment.

I invite you, Mr. Minister, to take that action during this session and to bring in that kind of amendment so those developers pay the kind of taxes they should pay. A lot of this land, perhaps, will be released and the public won't have to pay escalating prices for property when they want to build their homes.

Hon. Mr. Meen: I would point out to the hon. member that the kind of assessments and taxes he's been describing—I presume they're accurate; he'll have his research accurate on that—are exactly the kind of thing we're setting out to try to remedy. The sooner we get it remedied the better.

[4:45]

The proposal is the fourth proposal in budget paper E—I presume he is fully aware of that—in which the taxes in full will be paid to the municipalities. They will be paid in turn by the province on the farming property but if the property is sold out of farming within 10 years, according to this proposal, if and when it is sold out of farming, there would be a recapture of all of those taxes payable by the farm owner and vendor at that time.

I suggest that's a pretty good way of keeping property in farming or seeing that the proper amount of tax is paid to the municipalities. I would also remind the hon. member of a certain Act called the Land Speculation Tax Act that would catch those boys, in spades, in the kind of transactions he is talking about.

Mr. Swart: Can I ask this question further? I would like the minister to read the section of the Act—the section of the proposal which assures that that is going to be recovered. My understanding of the reading of that is that farm land will still be exempt and it may be recovered. It gives no time limit; nothing of that nature.

I don't think there is any more assurance in those new proposals which, of course, can be changed, as you have said, between now and then. There is no more assurance in those proposals than there is in the present Act that you are going to catch the speculators and they are going to pay their fair share of the tax. I would like to have

read out to me where it says that those people will be caught and they will have to pay. That land is going to be anything over a very small amount—just for a house and holding; perhaps one acre they will be able to get.

Hon. Mr. Meen: I don't have a copy of budget paper E but I would invite the hon. member to read the fourth item.

Mr. Swart: I have read it.

Hon. Mr. Meen: It spells out that there will be provision to recover taxes paid by the province if the property changes use. That is exactly the point. It would be recoverable in the same way as the present farm tax reductions are recoverable for a period of 10 years and that's the intention. That is the proposal. This is all part of the package. I suggest that we should await the commission and see what they have to say. I would expect that they would endorse the proposal.

Mr. Swart: Can I ask one further question? I'd like to ask the minister, when it is such a simple act to catch these developers by just a minor change, why can't we do that now? First, the reassessment was '77, now it has gone to '78; it could be 1980 before it is implemented. There is no assurance that that clause will be implemented then; why not make a change now?

Hon. Mr. Meen: That is only one part of the whole picture. Presently, those assessments to which the hon. member is referring—certainly the first one of the illustrations he gave—is because that property is assessed for farming purposes. Are we going to start imposing outrageously high taxes on farmers because we think they are speculators? No.

I would say this policy is in place and we should leave this alone. There are these certain special assessments available to farms which are in farming. That is why that kind of assessment would apply and we are saying that when it moves out of that category, under the new scheme there would be a very substantial tax attracted. I am not proposing that we do it this year. For that matter, the assessments are all struck for this year so there would be no way in which one could alter it for the current year.

Mr. Swart: Change the Act this year.

Mr. Martel: Mr. Chairman, I want to speak in a parochial sense about assessment as it applies to the mining corporations in the Sudbury basin. As you know, I am sure, the re-

gional municipality is already something like \$133 million in the red after three years of operation.

There is something to say about that. We had three of the captains of the Titanic who all ran for the Tories, of course, because they wanted to bail out. Three of the mayors wanted to bail out of that mess and come down here because eventually they are going to have to face the music. They were all running Tory, too, by the way and none of them made it.

They are \$133 million in debt as of 1975—the end of 1975. The whole region suffers continuously as a result of the policies of the government as they pertain to assessment. I am sure you have seen some of the reports of Dale Richmond, who is now working for Metro Toronto; he indicated that the problems confronting residential taxpayers in the Sudbury area of course can be attributed to the government of Ontario because of the manner in which they have assessed the mining industry over the years. And the situation is going to get worse. I don't know of any city of that size where the taxes to the residents are any higher and the kindness of the government to the industry is so obvious.

I gathered the assessment figures for Inco and Falconbridge to the end of 1975, and they are rather interesting. I want to put them on the record. Falconbridge's investment, in the Sudbury area, must be worth in the neighbourhood of \$250 million or \$300 million, I guess, and I am sure Inco's investment in the Sudbury area must be worth in the neighbourhood of \$1.5 billion.

Mr. Shore: Big figures for you, Elie.

Mr. Martel: You are right. I have them in front of me, otherwise I will forget them.

Mr. Shore: Did somebody tell you where the zero was?

Mr. Martel: Indeed somebody told me where the zero was. In fact, they told me how to read them.

Mr. Reid: It couldn't have been anybody in your party.

Mr. Martel: Well, it certainly wasn't the Liberal leader.

Mr. Mackenzie: One up on the Liberals, that's for sure.

Mr. Reid: I am sorry I said it, Mr. Chairman. Would you keep him on topic?

Mr. Martel: In the last couple of weeks—I think you will enjoy this, Mr. Chairman—with the shift in positions by the Liberal Party from the time of the Throne Speech to the present, and as that party's leader, the member for Hamilton West (Mr. S. Smith) changes his position, I have come to the conclusion that he has more positions than Masters and Johnson.

Mr. Shore: That was funny the first time around.

Mr. Martel: He has never been in the same position twice.

Mr. Reid: Elie, you'll never top "Dracula looking after the blood bank."

Mr. Martel: I want to tell you, you've got more positions these days than Masters and Johnson.

An hon. member: I don't understand what's funny about that.

Mr. Martel: You don't understand? I'll tell you after.

Getting back to Inco and Falconbridge, dear old Falconbridge is the country cousin up there. In Nickel Centre their realty assessment is \$2,671,000 and their business assessment is \$1,456,000—I am rounding these off—for a total assessment in Nickel Centre of \$4,127,000. In Valley East they have \$35,000 in realty assessment and no business assessment. In the town of Walden they have realty assessment of \$108,000, and business assessment of \$64,000, for a total of \$172,000. And in Onaping Falls they have \$10,628,000 in realty assessment and \$6,376,000 in business assessment, for a total of roughly \$17 million. Total realty assessment is \$13,437,000 and total business assessment is \$7,897,000, for a total of roughly \$21,335,000.

That's little old Falconbridge. Inco does better. Inco is a small company; its profits aren't too much—a couple of years ago they were \$300 million for one year and predominantly from the Sudbury area. I can't recall a time, since I worked at Inco in 1955, that they have gone under \$100 million, except one year when it was \$86 million. They struggle; I mean, they really struggle—

Mr. Shore: Are you on a sabbatical from there?

Mr. Martel: Yes. I am on a sabbatical, yes—a long-term sabbatical.

Mr. Bounsall: Profits have been up ever since he left.

Mr. Mackenzie: He's not going to be replaced by any Liberal anyway.

Mr. Martel: The intriguing thing about poor old Inco—they are not very well heeled either—is that in Nickel Centre they have \$459,000 in realty assessment and \$175,000 in business assessment; in Onaping Falls, \$1,279,000 in realty assessment and \$763,000 in business assessment, for a total of roughly \$2 million; in Valley East, \$184,000 in realty assessment and \$109,000 in business assessment, for a total of \$294,000; in the city of Sudbury, which includes Copper Cliff—and, of course, that is why everyone in the Sudbury basin went along with regional government—\$47,665,000 in realty assessment and \$28 million in business assessment, for a total of \$75 million; Walden, realty assessment \$11 million; business assessment \$5,659,000; for a total of \$16,969,000. Total realty assessment \$60,898,000; business assessment \$34,876,000; total assessment \$95 million.

Inco in the Sudbury basin has to be worth \$1.5 billion, but the Smith committee couldn't come to a satisfactory conclusion on how we get some of that largesse back into the city. They suggested that most of it be pumped down here, with a little dispersed in the city, a little dispersed in the regional municipality. At the end of three years, the region alone was \$133 million in the red. Yet money was coming out of the Sudbury area like you wouldn't believe.

Two years ago the profit of Inco alone was over \$300 million. This means that in reality it was well over \$500 million. Because of the tax games that are played in the mining industry—for example you write a third off the top annually and things like that—you reduce it very quickly. Although the mining industry says it is paying 72 per cent, they never tell you 72 per cent of what. That's the important thing. Seventy-two per cent sounds great, except that it is about 72 per cent of maybe 30 per cent—and then it comes down to the real world. In the process of making all those long green ones, the Sudbury region in fact has been pillaged, ravaged.

This year, part of the city of Sudbury is still trying to get sewers and water—the city proper, not the outlying areas. There are areas which are within the regional municipality—such as Valley East which has 20,000 people—in this day and age they are trying to get sewers and water. We don't talk about day care that frequently in the north; we talk about such mundane things as sewers and water. You people down here

worry about day care. We worry about sewers and water and street lighting and streets.

The reason is that in the Sudbury area you do not assess it adequately, nor do you assess the underground operation. There's a city underground. I am not sure anyone over there realizes it. There is machinery, the whole business, underground, and we don't get a lick of that—none.

Mr. Chairman: I must remind the hon. member that we have reached the time for the private members' hour.

Hon. Mr. Welch moved that the committee rise and report.

Motion agreed to.

The House resumed, Mr. Speaker in the chair.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report one resolution and asks for leave to sit again.

Report agreed to.

[5:00]

PRIVATE MEMBERS' HOUR:

NOTICE OF MOTION NO. 3

Clerk of the House: Private member's notice of motion No. 3, Mr. di Santo.

Resolution: That, in the opinion of this House, it now being eight years since the Smith committee on taxation reported, a select committee of the House should be appointed with power to sit when the House is not in session, to study ways of reforming the tax system of Ontario to make it fairer and, without limiting the generality of the foregoing, to examine in particular: (1) the burden of local and regional taxation on the homeowner; (2) new sources of revenue for local and regional government, including sharing of income tax, corporation tax, sales tax and resources taxes; (3) alternative methods of financing education costs; (4) ways of preventing a significant shift in the relative burdens borne by different categories of property taxpayers as a result of the coming change to assessment based on market value.

Mr. Speaker: Mr. di Santo moves resolution No. 3. The hon. member.

Mr. di Santo: We are discussing today the resolution calling for a new study of the

Ontario tax system, a resolution that I had the honour of introducing, seconded by my colleague, the member for Beaches-Woodbine (Ms. Bryden).

My resolution stems from two factors. The first is related to the fact that eight years after the Smith committee report, we still have in Ontario a regressive tax system which puts the heaviest tax burden on homeowners and on low income groups. Secondly, my resolution is generated by the ominous consequences of this government's decision in the financing of municipalities and of the school boards. As a result of the reduction of provincial grants to local governments this government is penalizing homeowners and the low income groups beyond logic, let alone justice and equity.

In 1976, in Metro Toronto, the average property tax will be close to \$1,000, of which 50 to 60 per cent will go towards education expenses. That means that a pensioner with \$269 a month will pay almost a third of his pension for property tax. And if you also consider the increase in hydro, heating and water rates, you will see what this government is doing to the well-being of thousands of pensioners and members of low-income groups who have been struggling for years to own a house. They now find themselves in a position of not being able to keep it, by decision of the Davis government. They are being denied the right to live in dignity.

There is no equity; there is no justice; there is no progressiveness; there is no rationality; there is no common sense in the present tax system. If you consider that when a worker retires with a dramatic drop in his income and when he has no children in the school system, this government forces him to continue to pay the same amount of property tax he paid before, and the tax credit he gets back next year does not eliminate the regressiveness of the tax entirely, then you will realize once again that this government is hitting the most vulnerable part of our population.

Within the same tax system, which we do not accept in principle, there is an insane logic at which any person with a normal mind is appalled. In Metro Toronto, for example, those people living downtown in an average house assessed at \$5,000, in 1976 will most likely pay \$690. That's a big jump from the \$625 paid last year, according to the Toronto Star figures. An average house in the boroughs, assessed at \$7,500, will pay about \$1,000, compared to \$850 last year. But what is even more frightening is that

the recent government decision to reduce its share of money to local governments will most likely become a trend towards dramatic property tax increases every year.

I also want to mention education funds, because the Province of Ontario is among the most backward provinces in Canada in relieving property of education tax. Last year, the government of Nova Scotia announced that it would join Alberta, New Brunswick and Prince Edward Island in paying the full cost of education, minus capital expenses.

In Manitoba, the entire municipal financing system has been reformed. Manitoba was the first jurisdiction in Canada to let the cities share in personal and corporate income taxes in 1973. Last year the New Democratic government of that province decided to give the municipalities two per cent of its personal and one per cent of its corporate income tax revenues with no strings attached. Nothing of that in Ontario.

After some timid steps in terms of tax credit this year to offset regressive taxes the Treasurer is proposing nothing but a royal commission to study belated reform of the property tax in Ontario. The major focus will be a change in assessment to relate it to market value of properties. Because of the vague terms of reference and the obvious and justified doubts that the idea casts in all our minds, I would say that we do not trust this government.

It is suspicious that the government decides to appoint a royal commission at the very moment when it is dumping on the municipalities and school boards—and then on the citizens—a substantially heavier tax burden. It is suspicious that the government, in its terms of reference, does not even mention the fact that we should find a more appropriate way of having people pay according to their ability rather than because they own a house.

It is suspicious that this government does not even suggest the possibility of working out a different formula of financing cities and schools, namely income tax, commercial tax and corporation tax. For these reasons, we are proposing that a select committee of this House should study ways of reforming the tax system of Ontario to make it fairer.

As a parliamentarian, I believe that the ultimate responsibility of legislating for the people of this province lies with the Legislature. We, the elected representatives of the people of Ontario, have the right and the duty to make laws and, therefore, to set up an equitable tax system which is probably one of the most important ways of influencing the lives of our citizens by legislative means.

A select committee, with open hearings for all concerned citizens and with the authority behind it of the people of Ontario, will be not only the most logical but also the most efficient means of testing the pulse of the province in such an important matter as taxation. Finally, it will be the most adequate vehicle to convey to this House an accurate picture of the reactions of the province.

Thank you.

Mr. Breithaupt: Mr. Speaker, I am pleased to rise in support of the resolution which has been proposed by the member for Downsview (Mr. di Santo) and which would call for the reforming of the tax system in Ontario to make it certainly more fair and more equitable. The eight years that have passed since those volumes on Ontario's finances were received by this Legislature have passed, indeed, very quickly. The chairman of the committee, by whose name the report became known, was certainly knowledgeable; he had the support of staff and had, indeed, a broad and detailed knowledge of taxation matters within this province.

In the summer of 1968 a select committee of this Legislature travelled across Ontario to hear from many groups about their views on the recommendations of the Smith report, and, as well, their views on taxation matters generally. Indeed, the member for Welland-Thorold (Mr. Swart), as I recall, appeared before the select committee when he was the reeve of his township and gave a presentation dealing particularly with matters of municipal finance, in which of course he is quite knowledgeable.

Since that select committee was appointed, only eight years ago, we have had two general elections within Ontario. The result is that now only six of the 13 members who served on that select committee continue as members of this Legislature.

Mr. Worton: That doesn't speak well for the report then.

Mr. Breithaupt: Well, my colleague suggests that it doesn't speak too well for the report. But three of the four government members who survive are now in the cabinet—the Minister of Revenue (Mr. Meen), the Minister of Agriculture and Food (Mr. W. Newman) and the Minister of Transportation and Communications (Mr. Snow). The fourth Conservative member who had the experience of being on that committee is the chief government whip, the member for Mississauga South (Mr. Kennedy). In

addition, the member for Lakeshore (Mr. Lawlor) and I had the pleasure of being on that committee. Neither he nor I, I think, has prospered as have the other four of our colleagues surviving from that committee. But of course, hope does spring eternal.

Mr. Hodgson: You are House leader.

Mr. Breithaupt: I don't know if that's a punishment or it's a benefit, but it's certainly an enjoyable experience, as has been mentioned. However, not only has the Legislature changed—of which that is an example—but certainly the Province of Ontario has changed substantially in those past eight years.

The finances in the years following our national centennial, those late 1960s, were indeed much different from what they are today. There was no talk of deficits in those days. There was no thought of cutbacks. The general theme was, as I recall, "Good government deserves your support," and of course, the people of the province responded with massive majorities in favour of the present and continuing government.

There was really no thought or consideration that the financial problems which we now face were on the horizon, or even considered, back in those late 1960s. However, when the present Premier (Mr. Davis), the member then for Peel North and now for Brampton, became the leader of the government, we saw a change, coincidental I trust, in the financial picture of the province. We have seen, since those days, a series of deficits, and indeed, they have continued apace for the past five years.

The budget in 1967 was, as I recall, something less than \$2 billion. Now, it is six times as large, and indeed the deficit this year, as the deficit last year, approaches that basic \$2 billion figure. So the times certainly have changed, and I believe that Ontario needs to look again at the recommendations that were in the Smith report. Using it as a base, we must review the changes in our society that have taken place since, and we certainly must attempt to come to grips with them.

As a new member after the 1967 election, I was certainly pleased to be named to the select committee on taxation. With a master's degree in economics before I had begun my studies in law, I thought that I would have a relatively easy time in a generally familiar area, as we discussed taxation within Ontario.

I was, of course, quite wrong. I finished up knowing much more about taxation in

Ontario than perhaps I really wanted to know. But the end result, I hope, was an educational process, not only for me but also for the other members who had the benefit of being members of that committee.

It was an excellent and most worthwhile experience, and I certainly believe that the study made by the select committee on taxation was a serious and valuable one. I believe it was generally a non-partisan one, as all of the members attempted to come to grips with the problems of taxation and financial matters, and to bring a balanced view to the problems and the concerns that face us all as residents of Ontario.

[5:15]

Therefore, I do support this resolution. I might not necessarily agree with each of the four particulars or their thrust as we are dealing with studies in the matters of taxation but they are certainly, of course, examples which, in the view of the member for Downsview, are especially worthy of consideration.

On principle, though, the resolution does merit support and I have no qualms in supporting it. Indeed, we must continuously reform our tax system in every particular in Ontario; we must make it more fair and more equitable. If a select committee of this Legislature were to be created to study this interesting and complex subject, it could certainly do the people of our province a great service as we look toward the tasks and responsibilities of government in this province in the next decade.

Mr. Williams: Mr. Speaker, I would have to vote, with respect, against the resolution which has been put forward in the House today. In my view the arguments given for support of the resolution can be discredited on the basis of an analysis of what has transpired since the Smith report came down eight years ago, as has been stated. In light of what has transpired since this resolution came on the order paper in the form of the presentation of the provincial budget, I think both of these matters warrant consideration and, as such, I think would indicate justification for having non-confidence in this type of resolution.

I think the motion we have before us implies that the government took no action during the long eight-year period with regard to the recommendations which came forward from what is now commonly known as the Smith committee report. I would remind the hon. member for Downsview that the Conservative government of the day saw much

wisdom in many of the recommendations which emanated from that report and as a result did act upon those basic recommendations.

One, of course, and the major thrust of that report, was to deal with equalization of assessment and assessment on market value basis. The province was quick to recognize the validity of this and found that there was no way this could be undertaken and accomplished without moving the area of responsibility from the local municipalities to the province. The province was quick to respond to that situation. If there was going to be universal application of assessment—an equalization—it would have to be handled on a universal basis. As such, it was proper that the province would move into the field which had previously been reserved to the municipalities.

Accordingly, in 1969, the legislation was introduced by way of an amendment to the Assessment Act whereby the province did move into this sphere. As members now know we have the province totally in command and in charge of this situation with the regional assessment offices working actively to introduce—not now or in 1977 but in 1978—fair market evaluation based on universal provincial application of criteria laid down at the provincial level.

Of course, too, there was recognition of inequities which existed at that time and the need to provide assistance to people who were least able to afford the cost of taxation on real property they owned or had an interest in. Consequently, the government of that day moved quickly to introduce the recommendation—one of the main recommendations of the Smith report—which dealt with the basic shelter exemption proposals. The government did introduce such legislation almost immediately after that recommendation was tabled.

It turned out in practice to be regressive. After it had been in place for a period, I think, of two years, possibly three at the outside, the government realized that it was proving to be a regressive form of relief because those who needed the support the most by way of relief from taxation were not necessarily deriving the benefits therefrom. They moved, therefore, from the basic shelter exemption formula to the present tax credit system that we have in Ontario, which is now much more equitable and fair in that it does assist those who need the greatest assistance.

The government has responded down through that period of time to some of the

basic recommendations and needs as enunciated in that report. I suggest this resolution is one that has been introduced prematurely in the light of the very significant comments made in the budget that was presented by the Treasurer (Mr. McKeough) a few short days ago.

I draw to the attention of the members of the House that portion of the budget which refers to the area in which there will be activity with regard to the relationship between provincial and local governments. At that time, the hon. minister pointed out that under the budget paper E the government is advancing proposals on how the property tax structure can be reformed to accommodate reassessed property values. It was indicated that a commission will be set up, comprised of people knowledgeable in municipal and education finance, who will review the 15 very substantive and significant recommendations that are proposed in budget paper E. This, in effect, really pulls the rug out from under all of the criticisms that are really incorporated into the four specific charges or suggestions, if you will, that are contained in the resolution.

Coming specifically to those points Mr. Speaker, it is suggested that if such a committee as proposed in the resolution was set up they would have to find ways and means of changing the burden of local and regional taxation on the homeowner. Of course, perhaps the most significant recommendation of the 15 contained in budget paper E is the one that will do this very thing and shift the burden of taxation from the residential to the industrial and commercial sectors of land use, so that the taxation factor would be reduced from 100 per cent of market value to 50 per cent of market value, with the 100 per cent being retained and applied only against all other forms of property, other than residential.

In addition thereto, of course, there would be the additional 50 per cent business tax imposed on top of the commercial and industrial properties within which there was some form of business activity being carried on. A very significant shift in the burden of taxation would be taking place as a result of that one recommendation alone out of the 15.

As we go through the budget paper, there were other suggestions or criticisms implied in the four areas—where it was implied that no activity or action is being taken. But these recommendations, I think, respond very positively to these points.

As far as new sources of revenue for local and regional government are concerned, the budget paper again is very specific in providing that there will be two new major areas of revenues from real property taxation and that is in the area of farming and managed forests. As well, of course, there is the very significant area of what has heretofore been exempted property. It is in this area that very significant tax means will be made by the municipalities if the commission that is set up endorses and reinforces these proposals as presented in the Treasurer's budget paper E. Here, also, there is a responsible response to the specific item two as to areas in which the tax system should be considered and reassessed.

With regard to alternative methods of financing education costs, which is the third specific area that the resolution asks the government to look at—or a committee, should it be so set up—I don't know exactly what the mover and seconder of the motion have in mind with regard to this, other than for the province to pay the total carrying charge. As is well known, they are presently bearing not less than 60 per cent of that burden now by way of outright grants to the municipalities to support them in their educational endeavours. Unless they are simply proposing that the province assume the responsibility to the extent of 100 per cent, I don't know what other alternative the hon. member for Downsview (Mr. di Santo) may be proposing.

The fourth proposal, ways of preventing a significant shift in the relative burdens borne by different categories of property taxpayers as a result of the coming change in assessment based on market value, again I think that the highlights of the budget paper E that I have spoken to pretty well deflate any suggestion that there are inequities that exist because of again the shift that will take place should these recommendations and proposals be essentially adopted and recommended by the commission that will be established—

Mr. Speaker: I would draw to the hon. member's attention that his time has just about expired.

Mr. Williams: —as stated in the paper. Consequently, it would appear that the resolution before us has proved to be premature and redundant based on the action that has been taken by the government in the past and will be taken as a result of the commission that is being established under the budget paper presented in the past two weeks.

Ms. Bryden: I rise to support the resolution which my colleague, the member for Downsview, has put forward with me as the seconder.

It is now somewhat over eight years since the last comprehensive review of the tax system was done in Ontario. The Smith committee was actually appointed in 1963 and took 4½ years and reported in 1967.

While some changes were made in the tax system following the Smith committee report and the John White select committee which studied it, it is still a fact that Ontario has a very unprogressive tax system. Too great a burden is carried by homeowners and low income groups. Too much wealth is escaping tax and that is why we are calling for a new study at this time.

A new study is extremely urgent because of the recent tax changes in the Ontario budget which have added to the regressiveness of the tax system. In particular, the 45 per cent increase in OHIP premiums and the failure of the province to prevent increases in local property taxes, which will range from 10 per cent to 20 per cent this year, have increased the burden on low and middle income groups in this province.

The analysis published in the *Globe and Mail* on Saturday showed that in an Ontario family of four with income just above the cutoff point of \$8,225 for premium assistance under OHIP, the taxpayer just above that level, will pay the highest combined income property and health taxes in Canada. In fact, on his last \$1,000 of taxable income he will pay \$661 in taxes, more than a millionaire pays on his last \$1,000.

Using the provincial Treasurer's own table in budget paper B, I was able to work out the burden of OHIP premiums on various taxpayers, even accepting the Treasurer's assumption that employers will continue to pay 88 per cent of employees' premiums, which is quite an assumption of which we are not sure. Recognizing that such payments become a taxable benefit to employees—this is a fact that is often forgotten—the resulting burden works out to 1.53 per cent of gross income for a family with a \$9,000 income; 1.05 per cent for a family making \$15,000, and only 0.67 per cent for a family making \$30,000. That's a truly regressive tax.

[5:30]

A new study of the tax system is needed now because the average family cannot take on any greater burden of taxation today. Their standard of living is already being threatened by huge increases in energy prices,

mortgage interest, rent, insurance, service fees, food and just about everything they buy. In many cases, wages are not keeping up with these increases. On the other hand, there is much evidence that those who are benefitting from inflation are not paying their fair share of taxes, if one looks around at the high living of the jetset. A Gallup Poll just a year ago showed that 66 per cent of Canadians thought taxes were too high, but in Ontario it was 68 per cent. That underlines the need for a study of the system.

A study is also needed at this time because the small degree of tax reform which came after the Carter commission is being eroded year by year as the federal and provincial governments both continue to grant new tax concessions and establish new havens for tax dollars. The RRSPs and RHOSPs and inter-spousal transfers of benefits from these are being used by the well-to-do as prime devices for dodging taxes. Too generous capital cost write-offs have also opened loopholes for people who can afford to buy airplanes and lease them back to Air Canada. Many companies are still able to defer taxes indefinitely by fast-write-off concessions.

The Ontario government goes along with these loopholes in the income tax. It goes along with them even in the corporate tax field where it has its own collection machinery and could vary the rules almost instantly. When it does vary the rules, it more often lightens the burden on the corporations instead of increasing it. In fact, Ontario's take from corporations as a percentage of total provincial revenue has gone down in the past 11 years from 17.5 per cent to 10.4 per cent.

In addition, corporations are enjoying a \$220-million rebate of sales tax on production machinery and equipment this year. There was a promise in the Speech from the Throne of a reduction in mining taxes, yet our take from the mine profits tax was less than one per cent of total provincial revenues last year. We got an estimated \$102 million on mineral production of over \$2.3 billion last year.

Our take from the land speculation tax is laughable; a mere \$4 million is expected this year. No wonder it doesn't bring in any money when exemptions are granted so widely. For example, it was reported recently in the press that foreign-controlled Shell Canada got a total exemption on the purchase of \$525,000 worth of land in the Sarnia area on which to build a new plant. We need a new tax study just to see what is happening with regard to exemptions under

the land speculation tax and the foreign land transfer tax. The latter yielded only about \$1 million in 1975.

Another area where we need a new study is an examination of the trend of death taxes in Ontario. The provincial take from transfers of wealth at death has dropped from four per cent to less than one per cent in the past 11 years. In fact, it's actually down to 0.6 per cent of total provincial revenue. The Smith committee favoured greater use of death taxes in the interests of equity but the Ontario government has steadily reduced succession duties so that only \$62 million will come from this source this year. While we support some of the succession duty liberalization measures which were designed to relieve farmers and small business from excessive duties and to help widows and orphans, we feel the cost of these improvements could have been recouped by claiming more from the bigger estates without affecting very many residents of the province. At any rate, that is another area which needs immediate study.

The tax credit system to which the member for Oriole (Mr. Williams) referred with some pride is becoming less effective as the effect of the formula—which is rather rigid—and inflation continue to erode its ability to offset the regressivity of the property tax. It is time for a review of the formula.

The commission which is proposed in budget paper E as a possible answer to the problems of the property tax is not even going to study the question of new sources of revenue for local governments over and above property tax. There is no reference to a sharing of income and corporation tax with local government. There is no discussion, either, of a review of the tax credit system in its terms of reference and furthermore, since it hasn't even been set up and will not report until October, we do not really know what it is going to recommend and whether its recommendations will have an effect on reducing the regressivity of the property tax.

We can't have a just society without a just tax system and we can't have a tax policy without a tax philosophy. That is why we are calling for a select committee of the Legislature to do the study instead of a royal commission. We think members of the Legislature should have the opportunity to debate tax policy and arrive at a consensus before we can recommend reform. The necessary studies of existing taxes and their incidence has to be done as well but select committees can appoint research staff

and commission studies as well as a royal commission.

The Smith committee recommended that there should be an ongoing study in this province of tax incidence. That is one recommendation which has not been carried out. This is another reason why we need a review at this time.

The White committee on taxation did come out with a tax philosophy. Let me read one quote from its philosophy:

The major premise on which our recommendations are found is that the combined provincial and municipal tax burden should be allocated in a manner which recognizes the ability to pay principle. It is the opinion of your committee that this requires a progressive distribution of burden.

That is on page 5 of their report. On page 1, they state, regarding their recommendations:

The consequences of these and other recommendations will be lower property taxes, which are unquestionably regressive, with greater reliance on provincial taxes, which are more broadly based and more progressive through the whole range of income and wealth.

Unfortunately, those consequences have not flowed from the actions of the government since the report of the White select committee.

Mr. Speaker: The hon. member has one minute.

Ms. Bryden: Thank you. Instead, we have had a reversal of what the White committee was aiming at. It is time that this was exposed and documented, and the present policy re-examined by all parties.

Ontario could lead the way in devising a tax system which is fair, which will treat people in similar circumstances in the same way and which will make it possible to redistribute income to compensate for the imperfections of the marketplace. It will not devise such a system unless we reverse present policy.

Mr. Shore: Mr. Speaker, I take this opportunity of thanking you for giving me this opportunity of speaking on our party's behalf in relation to supporting the general principle of a review of the matters which came out of the Smith committee report. I have had an opportunity of looking at the Smith committee report, and the basic concepts they addressed themselves to are the problems of educational costs of municipi-

palities, the problems of a fair and equitable tax base, particularly as it relates to provincial and municipal matters, and the issue of autonomy at the municipal level.

It's very nice to say that budget paper E, as the hon. member opposite stated, addresses itself to the problems. I wish to make it very clear that budget paper E does not address itself to the real issues that this commission would do. As a matter of fact, it is rather disappointing that the government should always want to respond to something rather than be progressive—to take an attitude of action rather than reaction.

I think that is what this item addresses itself to. If we really look at this the timing is probably very significant. Back when the commission made its report, and over the last number of years, the attitude of the Province of Ontario, particularly the Ministry of Education, was to try to adopt the principle of the select committee on education—particularly to reach a level of 60 per cent funding for education.

After a number of years they finally reached that level across the province. In some areas it was lower, some areas it was higher, but on balance it finally reached that 60 per cent level. It took a number of years to reach that level but it only took one year to show some severe regressivity. Suddenly in this year's budget the item of 60 per cent is going backwards. In some instances it is down to 52 per cent when it was 60 per cent last year.

It is interesting also, in relation to grants to the municipalities, that it took a number of years to increase those grants. In last year's budget, a year ago, the increases to the municipalities through grants—conditional and otherwise—were 500 and some million dollars more than the year before, but suddenly this year they are only going to be \$200 million more. There seems to be something basically wrong in the planning aspect, both from the provincial level and the opportunity for intelligent planning at the municipal level, when extremes like that are allowed to take place.

In relation to local autonomy and local fiscal responsibility, it is very clear in the Smith report that there should be a major thrust in the direction of holding the local community accountable and fiscally responsible—to a great extent you cannot be accountable without being fiscally responsible at the same time—but it is improper, poor planning and poor management to expect municipalities to try to be accountable to their communities when they have to go begging to the province each year for handouts.

It may be wise and intelligent on behalf of the provincial government to plan themselves that way, although I question it, but it certainly doesn't lead to intelligent priority setting at the municipal level to have to do it that way.

Therefore, I think there is all kinds of evidence to suggest that a proper select committee be restructured to study this province's success in the future, it is the relationship between the province and its municipalities. There is nothing anywhere, as the finance critic of the NDP has suggested, in budget paper E or any other submission where the government has stated it is going to address itself to this whole matter of municipal-provincial relations. I think this is a golden opportunity to do it, if we truly believe we want to have a partnership. I think the way to start is to draw attention through the select committee, to the inequities and not to wait each year to see what the situation might be. [5:45]

Mr. Gregory: Mr. Speaker, I rise in support of the resolution by the member for Downsview, but probably for an entirely different set of reasons than he gives. You wouldn't want me to agree entirely with you?

I feel the Smith report recommendation of setting up a committee to investigate new ways of taxation is excellent. I think any government which does not continuously do this or purposely avoids it should perhaps do some investigations on its motives. I don't think this government certainly is in the position where it wishes to do this. There is always room for improvement. I don't think we are ever going to reach a situation where we will have the totally perfect country or province where re-examination periodically is not going to be required. I think this is one of those instances.

The member for Downsview, when he proposed this resolution and gave some reasons for it, in my opinion gave many of the wrong reasons for supporting it. Certainly my reasoning will not be the same as his. The typical opposition position is that we must once again go after that old chestnut of taxing corporate profits and eliminate, almost, the high wage earner as they have done in England.

As many of you probably heard in a discussion on the radio this afternoon or at least at noon time, they have in England practically eliminated those people who provide jobs for people. They have practically put them out of business; they have put them in a position where they can not afford to operate any more as employers. They are driving

them from the country and we are having the resultant chaos in England.

I don't believe that's the answer. I don't believe that property tax alone is necessarily the answer either. I believe, as he has stated, that this is a regressive tax. Naturally, that is obvious. It has to be regressive, because property taxes go up but the earning power of that man does not go up to the same extent.

We are taxing the poor, the old age pensioner, people on fixed income. We are taxing them in accordance with how much they have been able to accumulate for themselves. As a free enterpriser, I somewhat resent that. Because a man has been frugal all his life and been able to acquire a property that now has considerable value is no reason why he should be taxed beyond his means. I think using the property tax as we have it today, it is very difficult not to penalize him.

My reason basically for supporting this is that I think it would give a certain degree of control upon local, municipal, board of education, and regional government spending. I think that is very important at this point. I feel that for many years—and the member for London North touched on the point—the provincial grants to local municipalities and to school boards have been cut back; not exactly cut back, but the percentage increases have been restrained.

I choose to think that we are not really cutting back on the needs of those communities and those councils and those boards of education so much as we are cutting back on the wants of them. This is what has got entirely out of proportion over the past few years. I noticed in the newspaper and from the minutes of a board of education meeting in the region of Peel just the other day: They had struggled with their budget and were down from \$118 million to something like \$112 million. They virtually settled on this and suddenly somebody found that they had made an error of \$5.7 million. Imagine—an error of \$5.7 million on that budget.

Mr. Warner: Sounds like the Health ministry.

Mr. Gregory: I am not debating a provincial ministry at the present time. I am debating a regional board of education, if that's okay.

Mr. Warner: Similar.

Mr. Gregory: You usually do tend to confuse the issue. Try not to this time, all right?

Mr. Warner: We will try not to confuse you.

Mr. Gregory: That, to me, showed a degree of irresponsibility. It was suggested by the member for Downsview that he would like to see total funding of education at a provincial level, as has been done or started in some other provinces.

That's fine, but you cannot suggest that without suggesting provincial interference in that particular function. There is just no possible way that any provincial government can give a blank cheque to a board of education, a municipal council or a regional council and not expect to have some control. The money all comes from somebody's pocket.

Mr. Shore: You aren't suggesting they don't have control now, are you?

Mr. Gregory: Yes, I certainly am. I am suggesting, from experience, that they do not have the degree of control they should have. When there are errors of that sort, retired persons on pension, people on fixed incomes, are going to have to pay more property tax because somebody made an error; instead of actually knowing the full amount of the budget and cutting it down, they tailored it accordingly. That disturbs me a great deal, I can tell you.

I think it's a great idea to set up this committee to see if we can find new ways. I have not heard any suggestion about new ways from the mover of the resolution; he is suggesting the same old ways his party has been suggesting for years. I want to hear if there are any possible new ways. I don't know what they are; I don't profess to know the answer, but I will support the hon. member in setting up a committee to try to find out. Maybe there is some way we can do this, but I say to the hon. member, don't give me this old chestnut about how we are going to play the Robin Hood game again and tax the rich—

Mr. Warner: Why not?

Mr. Gregory: —and as the member for Beaches-Woodbine has suggested, we are going to hit the old death taxes again. Whoopee! Isn't that marvellous? Then nobody will be able to leave anything for anybody; we must pass that!

Mr. Mackenzie: You are taxing the poor.

Mr. Gregory: You come to this earth poor and you are going to return to it poor; it's that sort of thing, that old chestnut. Maybe

the hon. members opposite should try to get a new idea once in a while.

Mr. Mackenzie: We are proud of it.

Mr. Gregory: You are completely bankrupt of any new ideas.

Mr. Bounsall: Nothing is changed yet in the system!

Mr. Gregory: I will go along with this and sit on this committee with you; I would love to hear some new ideas. Maybe this committee could come up with some new ideas as to how we are going to do this, instead of these old saws that the hon. members opposite have been sawing on for years.

Mr. Renwick: Would you reconsider your position and not support us?

Mr. Warner: You'd help the wounded by giving them a rubber crutch.

Mr. Gregory: That's the kind of remark I like to hear; I enjoy them. That's beautiful.

As I say, I think that's one of the things we should do. One other thing that was touched on was market value assessment, which I think is excellent, bringing everything on to a market value assessment basis. If we are going to be stuck with this real estate tax type of thing, market value assessment is the only fair way we can do it. It has been many years since anything has been done to bring it back into line. As a matter of fact, in the region of Peel, particularly the city of Mississauga, we have been on market value assessment for years; unfortunately, everything hasn't kept pace, so we don't know what's happening across the province. I think there are quite a few municipalities that are not on market value assessment yet, but it's to be hoped that they will all be on that very shortly. I think it is going to have a profound effect on the tax rate of people who live in less expensive housing. At the present time, it doesn't. You are taxed on property, which I think is ridiculous. Taxing on housing is one thing, but taxing on a property is another thing entirely.

I certainly can support this resolution. I think it would be a great idea to have a look. I think anybody who doesn't have a new look every once in a while is regressive, and certainly the Progressive Conservative Party is not regressive in any way.

Mr. Swart: Mr. Speaker, I hadn't intended to speak on this resolution, but in view of the fact that there are five minutes left—

Mr. Mancini: Did you say "five"?

Mr. Peterson: There isn't. You only have half of it.

Mr. Swart: —I would like at least to reply to one or two of the comments made by the hon. member for Oriole (Mr. Williams). He is the only one who has spoken against it so far, and he said, if I heard him correctly, that it was introduced prematurely and that it's not needed now in view of the other commission which is to be set up.

I want to say that because the other commission has been set up, it is now needed more than ever. What we need to do is take something of an impartial and all-party look at the property tax system in this province and determine for the future where are the sources from which the revenues should come to pay the expenses of the municipality. I think it is important that we start from an objective and a neutral base. I say to the member for Oriole, with the document that has been tabled, it is no longer a neutral and an objective base from which that commission will start.

It has made certain proposals, and there is no doubt in my mind, as I said a little while ago, that they are predominantly for political purposes. They can point to them, as he has, for the savings which he says they are going to make to residences which will never materialize by any objective examination of what is proposed, and yet all these proposals are made to us. I think we should start from the neutral position.

This is particularly true in a minority House. I suppose, if you have an all-party select committee sitting in a majority House, what would come out of that would probably be largely government policy. I suggest that most of us in any of the parties don't have any vested interest in this. We want to see, as a member of the Liberal Party said, a system that is a partnership between municipalities and the government, where the municipalities know where they are going in financing local government from one year to the next instead of what happened this year. We do need this all-party select committee to take a look at the taxation system, particularly the municipal taxation system.

My final words are that even as of 1974 Ontario had the second highest property taxation per capita, according to the Canadian Tax Foundation, of any of the provinces in Canada. I think this year Ontario is going to make it first. I think that in itself is reason for having the commission.

Mr. Peterson: Mr. Speaker, I didn't intend to speak on this, and my apparel is no disrespect for you, sir, as I wasn't planning to speak. But I would just like to speak in favour of this motion because I think it is very important. It has been eight years since the last review, according to my understanding, and I think that is far too long a time at a time when government expenditures have grown at such a fantastic and uncontemplated rate. As we are looking for more ways to finance equitably the great services the government is providing today, I think we have to re-examine the philosophy. It has been said by smarter people than I that if you want to find out what a government is about, look at the budget, and if you want to find out what they really care for and where their priorities are, you have to look at their system of taxation. I am not at all convinced that we are raising our revenue in this province the right way at this present time.

There is just one other brief comment I have and I would like to say this. I'm very concerned that, generally in this province, there are two major ways of raising taxation through the property tax, which really accounts for two levels of spending—municipal taxation as well as the education tax. It seems to me we are going to have to look very hard at bringing more accountability of the politician—I'm talking about the school trustee who spends that dollar—and making the electorate aware of which politician spends that dollar.

I think we have the same type of confusion in some respects with one tax form, even though federal and provincial taxes are on that form. I think there is a lot of confusion in a lot of people's minds about which politician is spending that money. When we are making more and more demands on the taxpayer and on his purse, I think that that politician who is prepared to stand up and spend his money has to stand squarely and clearly accountable to that taxpayer, and there should be absolutely no misunderstanding about who is doing it. Thank you, Mr. Speaker, for allowing me to have a word.

Mr. Speaker: This concludes this order of business.

Hon. Mr. MacBeth moved the adjournment of the House.

Motion agreed to.

The House adjourned at 6 o'clock, p.m.

ERRATUM

No.	Page	Col.	Line	Should read:
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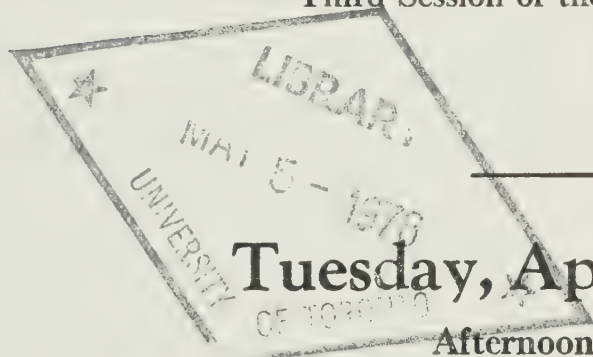


Legislative Assembly

Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament



Tuesday, April 27, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 27, 1976

The House met at 2 p.m.

Prayers.

POINTS OF PRIVILEGE

Mr. S. Smith: Mr. Speaker, I'd like to rise on a matter of privilege. There was quoted in the newspaper today, a statement alleged to have been made by the Premier of the province (Mr. Davis) in which he said the Liberal Party and the NDP each believes it has ethnic groups in the province in its pocket.

I consider that particular statement to be very offensive both to the citizens involved and, most certainly, to the hon. gentlemen and ladies on this side of the House in both parties. I would suggest that a privilege of this House and these members has been infringed upon in a very unfortunate way by the Premier if, in fact, those quotations are accurate. I would simply bring that to the attention of the Speaker in the hope that the Premier may wish to make some comment.

Mr. Roy: Mr. Speaker, I rise on a point of privilege dealing with another matter, a statement made by the acting Minister of Health (B. Stephenson) last Thursday, April 22, 1976. In response to a question dealing with the Montfort Hospital the minister said:

There was no provision for funding because the ministry had not been notified that the hospital was about to open the 15 beds as they were supposed to do. When the occasion arose that they asked for funds to fund the 15-bed unit, which they had opened unilaterally, they were informed that there were no funds at that point.

Through inadvertence or otherwise, the minister has misinformed the House and in the process, of course, cast certain aspersions on the administration of that hospital. I would like to bring to your attention, Mr. Speaker, and to all members here, a letter dated Oct. 25, 1974, from the Ministry of Health, which was signed by the present Deputy Minister of Health, Mr. Alan Backley, which stated:

The Minister of Health, the Hon. Frank S. Miller, has asked me to inform you that your request for 30 psychiatric beds to be located in the vacant paediatric space at your institution has now been reviewed

and strongly supported by appropriate consultants in the Ministry of Health. I am pleased to inform you that approval has been granted for provision of these beds. Funding commitments of the ministry for this project are as follows: Capital funds for 1975-1976, \$180,000; 1976-1977, \$20,000; for a total of \$200,000; operating costs for 1975-1976, \$760,000. If there are any questions regarding this approval, please feel free to contact Mr. C. B. Halpin.

Signed, Alan Backley.

I just wanted to bring to the attention of the members and of the House that, unfortunately, the acting Minister of Health's comments in relation to the hospital opening up unilaterally were misleading. I hope it was done unintentionally. I would like to correct the record for that purpose.

Mr. Breithaupt: Well said.

Hon. Mr. Davis: Mr. Speaker, it appears to be the afternoon for matters of privilege. I regret the Leader of the Opposition (Mr. Lewis) is not here, because I think at the conclusion of the question period yesterday he asked me whether or not I had referred to the order in council in terms of the statement I made here. I have read Hansard, and while I am more than prepared to take the advice of those who know far more about the English language than I do, just so there will be no misunderstanding, I will beg the indulgence of the House and set the record straight so that there can be no misunderstanding.

With respect to the order in council relative to the closing of Durham Hospital and the announcement that was made on April 12 of the closing, my remarks read, as recorded yesterday in Hansard, and I quote: "The fact is that Durham Hospital knew and there was no hiding of the order in council. I announced it myself here in the Legislature."

My impression of what I said was that I had announced the closing here in the Legislature. The way it is recorded in Hansard, the English scholars would say that it could refer to the order in council also being referred to, and I did not intend that, Mr. Speaker, because I recall very carefully and very correctly what I said and I have made no reference to an order in council.

Mr. Deans: You did make reference. You didn't intend to.

Hon. Mr. Davis: I may have made reference to it but I did not make it in the context of the statement.

Mr. Deans: I am not sure what you did, but whatever you did, you didn't.

Mr. Speaker: The member for Hamilton West did not, of course, have a point of personal privilege, because none of the privileges of his membership here in the House was infringed upon in any respect.

That is my ruling. I might just clarify it: a point of privilege is where the member's personal privileges are hampered or in some way abrogated here in the House. What is said outside the House, of course, I have no control over and neither does the House. If he stands and corrects the record, which I think the hon. member did—

Mr. Bullbrook: What is published about him is also a matter of privilege.

Mr. Speaker: That's right.

Mr. Bullbrook: That was published.

Mr. S. Smith: It says here, with respect, Mr. Speaker, that I, as the leader of this party—well, it says: "The Liberals say they have the ethnic groups in their pocket." That is certainly a comment which seems to me—

Mr. Moffatt: Yes, it is not true.

Mr. S. Smith: I have never said anything like this.

Mr. Speaker: Order, please.

Mr. S. Smith: No member of this House has said anything like this, and to imply the same is, in many ways, I think, to interfere with our ability to conduct ourselves in a proper manner in this House.

Mr. Speaker: No. Order, please. I think the hon. members will agree that the hon. member for Hamilton West rose to correct what he feels is a misstatement outside of the House. That does not affect his privileges in the House.

The member for Ottawa East and the Premier's statements are a matter of information on which there seems to be some doubt. It's not—

Mr. Bullbrook: Mr. Speaker, if I may rise on a point of order—

Mr. Speaker: May I suggest that the—

Mr. Bullbrook: If I may rise on a point of order, and in no way take issue with your ruling, the point that my leader makes is quite a valid one. It's the publication of the falsehood that affects his privilege as a member.

Mr. Speaker: Order, please. May I suggest to the hon. member that the Speaker was still attempting to make a few remarks in the House. I'm sorry I have to be sitting down because the standup mike is not working here. The member's privileges in the House have not been affected; that's my ruling.

Mr. Renwick: We will wait for the election to find out.

Mr. Martel: You are willing to wait a long time.

Mr. Deans: Mr. Speaker, since we are dealing with points of privilege, let me have one. I had intended to raise it before—

Interjection.

Mr. Deans: Well, this is a real point of privilege. Mr. Speaker, as you no doubt—

Interjection.

Mr. Deans: Oh, I expect you to elaborate and embroider your statements.

Mr. Speaker: Would you get on with the point of privilege?

Hon. Mr. Davis: I hope you will modify your speech in the future.

Mr. Deans: I'm more worried about Eddie Goodman than I am about you.

The point of privilege that I raise is this, Mr. Speaker: Tomorrow, as you are no doubt aware, there is a demonstration going to take place outside the Legislature; some many hundreds, perhaps many thousands, of trade unionists intend to appear here to raise objections with the government.

In the past, there has been some difficulty in obtaining access to the building for people who have come to demonstrate. We would like you to make it clear to those people who have the responsibility for the maintenance of order in the building that it would be the wish of the members that any person wanting to enter the building to see them personally should be able to do so, and that nothing should be done to inhibit their free access to the building if their purpose for coming is legitimate, and that it be made clear to all of us to whom they should refer in order to gain this access.

I don't want people locked out. We in this caucus don't want people locked out. We want anyone who wants to see any member of this caucus to have free access to the building in order to do so, and I suspect that the government and the Liberal Party might feel likewise. I'd appreciate if you would make it clear today, in advance of the difficulty, rather than wait until it has happened.

Mr. Speaker: Actually there is no question about the procedure.

Hon. Mr. Davis: I would just like to reiterate what the House leader for the official opposition has said. It is a matter that concerns all of us from time to time, but I think all of us are very anxious that those who wish to come into the building to meet with the members, ministers of cabinet, myself or anyone else, have every right to do so. It complicates the way of those who have responsibility to deal with it, but it would be most unfortunate if those who wish to seek access for the purpose of meeting were denied access, and I'm really quite hopeful that there will be nothing untoward tomorrow. We are meeting with the federation itself earlier in the day and I really don't anticipate any difficulties. Certainly I and the government would be very disappointed if anyone who wished to come to visit with us, was not able to do so.

Mr. Deans: Regardless of who?

Mr. Speaker: Order, please. Actually, the regulations are very clear. The demonstration itself must be outside, I think we all agree with that. But then if anyone wishes, either during or after the demonstration, to see a member or a group of members in their caucus, all he or she has to do is make his or her wishes known; there'll be no problem there whatsoever.

Mr. Makarchuk: No, that's not what happens.

Mr. Deans: An additional point, on my point of privilege: Could you make it clear to the Legislature exactly who has the authority to determine whether the individual seeking entrance to the building is entitled to enter or otherwise?

Mr. Speaker: We have a security staff here and they have their instructions, and they are very clear. In fact, they'll facilitate it, if members, in groups or individually, from outside wish to meet with the caucus. They'll see that that's facilitated, and with an individual member they'll do likewise.

The last time—I know what you were referring to—there was a very heavy demand and it took maybe 15 or 20 minutes. One of the members in your caucus assisted in sorting the thing out and getting the people down to the appropriate place. Unfortunately there was another matter which was brought to my attention afterwards, but that was unintentional. I think those particular people had a meeting arranged with that particular member before the demonstration took place; they did not make themselves or their presence known.

[2:15]

Mr. Deans: I don't want to prolong this unnecessarily, but would it be possible for you, Mr. Speaker, to give us the name of the individual to whom reference should be made in the event that someone is denied access who believes that he should have access? Whom should they ask for?

Mr. Speaker: Actually any of the staff at the door or inside the door. I'm sure there'll be a number around there and they all have the same instructions. But I would suggest if you're having difficulty, and if I'm not around—I expect to be in my office part of tomorrow—Mr. Fleming, the director of administration, will certainly facilitate matters with the security.

Mr. Deans: Thank you very much.

Mr. Singer: Mr. Speaker, on a point of order: Down in this section of the chamber we really cannot hear the voices; they're distorted and they're inaudible. I know a great deal of time and money has been spent on the PA system but what is being produced, insofar as this group of members is concerned, is absolutely a waste of time, money and effort.

Mr. Speaker: May I say the technicians are still working on this system of ours.

Mr. Roy: We'd like to hear you, Mr. Speaker.

Mr. Speaker: Thank you. I seem to be drowning myself out here.

Mr. Roy: We can hear the Treasurer (Mr. McKeough).

Mr. Speaker: Statements by the ministry.
Oral questions.

OPERATING AUTHORITY FOR BUS ROUTES

Mr. Deans: I have a question for the Minister of Transportation and Communications.

No doubt he is aware of the problem that has arisen with regard to an Ontario Highway Transport Board order dealing with bus routes and the subsidizing thereof. Is he prepared now to make a statement? Has he had an opportunity to review the circumstances surrounding the decision that was made by the Highway Transport Board not to accept the lowest tender?

Hon. Mr. Snow: I do not as yet have a copy of the written decision of the Highway Transport Board; in fact, I don't believe the written decision has been prepared. My first knowledge of this matter was when I read in the press a few days ago that the CNR were to implement a bus service between Ottawa and Kingston to tie in with an improved train service they were operating. This, of course, was of interest to me but I didn't do anything more, other than to read the article in the press.

I find out this morning, on request to the chairman of the Highway Transport Board, that an application came in to the board last Wednesday, April 21, requesting a temporary operating authority for a bus service between Ottawa and Kingston and Belleville and Kingston. The chairman arranged for a hearing to be held on Friday morning, April 23, two days later. The request was urgent because they wished to implement the service, I believe, the following day, last Saturday.

I believe the CNR had called for bids from different bus companies to operate this service and it was only on Wednesday, as I say, that they applied to the board for temporary operating authority. The chairman held a hearing on Friday morning. It was a hearing for a temporary authority, so it was impossible to gazette the hearing, giving public notice, which would normally take place if it were for a permanent authority. But the interested parties, I understand, were all notified and were all in attendance.

In order that the service could start operating the following day, the chairman gave a verbal decision last Friday afternoon by telephone to all concerned. It was his decision that the licence for this service should go to Voyageur-Colonial Bus Lines.

I've asked the chairman for a copy of his written decision. As soon as it is available, he has assured me he will send it to me. Apparently, the decision was to run this service for a six-month trial period. If there is an application for a permanent licence for that service then, of course, it will go through the normal process. The notice of the hearing will

be gazetted and a vote hearing will take place at that time.

Mr. Deans: A supplementary question in two parts: Are there other examples of occasions when hearings have been proceeded with with the haste of this one? Can the minister indicate what it is about this application that required such haste to be in evidence, rather than simply going through the normal procedures? Didn't they know some months ago they wanted to have this done?

Hon. Mr. Snow: I can't answer for the CNR, which was the initiator of this service. As I say, the first I heard of it was—and I must say I don't normally hear of applications to the board; they do not come through my office. Applications to the board for licences or for hearings go directly to the board. As the hon. member knows, I am sure, there are many of them because every week in the Gazette there are literally dozens.

This application was made. I understand the chairman of the board does have legislative authority to grant temporary licences for an operation pending a full hearing. This, I believe, is done rather regularly. Whether it is done this quickly or not—I think the chairman of the board did everything possible to accommodate the applicants and the CNR by setting up a hearing on such short notice.

Mr. S. Smith: A supplementary: Can the minister inform the House of other instances in which the low bid has been rejected and if he doesn't have first-hand knowledge of this, would he please make inquiries and table such information?

Hon. Mr. Snow: I will certainly ask for this information; I certainly don't have it today. Actually, the duties of the Highway Transport Board are to grant operating licences for public vehicles based on public convenience and necessity. Of course, the board takes into consideration, I am sure, many matters when granting a licence. The matter of the low bid is a matter between those applicants and the purchaser of the service—in this case, the CNR. What consideration the chairman gave to the actual bids received as against the service to be provided, I can't say.

Mr. S. Smith: Will the minister table other examples in which such low bids were refused so that we can decide for ourselves what is going on here? Is it true, as the president of the Carleton bus line says, that Power Corp. has the government sewn up?

We have to judge these matters. Would the minister table other examples in which low bids have been refused?

Hon. Mr. Snow: Mr. Speaker, I have no knowledge, other than what I read in the *Globe and Mail*, as to who owns Voyageur-Colonial Bus Lines. This company has operated, to my knowledge, an excellent bus service in eastern Ontario for many years. As long as I can remember, Colonial Coach Lines has been operating in eastern Ontario.

Mr. Roy: That's how Power got going.

Hon. Mr. Snow: As to who the owners are, I was quite interested, as a matter of fact to read that Power Corp. is the owner. I have no idea how long it has been the owner.

Mr. S. Smith: Will the minister table the examples?

Hon. Mr. Snow: I must say that in most cases I think it is unusual for a tender price for a bus service to have anything to do with an application. Normally, the application is for a passenger service over a specific route. The board considers the necessity and all the other matters relating to that route and grants the licence, if deemed advisable in its opinion.

Mr. S. Smith: Will the minister table it?

Hon. Mr. Snow: It is normally the procedure for the operator to file with the board its rates for passenger service.

I will inquire if there are any other cases in which tenders such as this were involved. If there are, I will certainly table the information.

Mr. S. Smith: Thank you.

Mr. Speaker: Does the member for Carleton East have a supplementary?

Ms. Gigantes: Considering the unusual circumstances the minister has mentioned in this case, wouldn't it be appropriate to table the report in this case, particularly since CN is expressing some surprise at the decision?

Hon. Mr. Snow: I said that as soon as I receive a copy of the chairman's written decision I will certainly be prepared to table it in the House. I don't know what the hon. member is referring to when she mentions the unusual circumstances.

Mr. Speaker: The member for Niagara Falls with a final supplementary on this question then.

Mr. Kerrio: Is the minister aware that CNR was ready to accept the equipment provided or bid; and that in fact it was prepared to accept the bid on equipment and price?

Hon. Mr. Snow: I am not aware of that. I presume they were prepared. I am very surprised CNR would leave a matter like this to the last day in the afternoon to apply for a licence. CNR is a transportation company that is used to regulation. It comes under the regulation of the Canadian Transport Commission. They are also involved in other bus services, I believe, in other areas similar to this. I am very surprised they would proceed to the stage that they did, wanting to implement a service on a Saturday afternoon and making application to the board on the Wednesday morning. As I say, I think the board did everything possible to accommodate them.

INCREASE IN PREMIUMS FOR HOME INSURANCE

Mr. Deans: I have a question of the Minister of Consumer and Commercial Relations. Is the minister satisfied that the 9.6 per cent increase that was applied for by the Royal Insurance Co. on home insurance premiums is justified? Has it been reviewed by his ministry, by the superintendent of insurance; and what was the justification given for the increase?

Hon. Mr. Handleman: I think the hon. member knows the insurance companies have been brought under the umbrella of the AIB. The filing was made to the AIB and, as far as I know, the AIB has not voiced any objection to the increase. The guidelines of the AIB are based on cost factors, and that would normally be our position as well. Those rates presumably have been filed with our superintendent of insurance, but I am not aware as to whether or not they have in fact been so filed.

Mr. Deans: Supplementary: Am I to assume from the minister's answer that, because the AIB has now decreed that it will deal with such things as insurance, the superintendent of insurance in the Province of Ontario and the Minister of Commercial and Consumer Relations no longer feel any sense of responsibility?

Mr. Singer: They never did.

Hon. Mr. Handleman: It is simply because the AIB is depending very heavily on the

superintendent of insurance for the Province of Ontario in dealing with these matters.

Mr. Speaker: The member for Wilson Heights with a supplementary.

Mr. Singer: Wouldn't the minister agree that neither he nor the superintendent of insurance have any power to control those rates because of the unproclaimed sections in the Insurance Act?

Hon. Mr. Handleman: Mr. Speaker, I suppose it depends on how you define power. We have a certain amount of influence with these companies.

An hon. member: They have the influence with you.

Mr. Roy: Morty Shulman this morning said you had no power at all.

Mr. Deans: Supplementary question, if I may: Given that the minister has repeatedly told the Legislature that he uses his influence in an attempt to hold the rates down wherever it appears they are unjustified, has he reviewed the rate increase application of Royal and has he made any recommendations to them, as the minister in charge of insurance in the Province of Ontario, with regard to the appropriateness or the substantiation they attach to their application for a rate increase?

Hon. Mr. Handleman: No, I have not reviewed the rate application and I am not even sure whether the rate application has been filed with our ministry. I will certainly check into it and advise the hon. member.

Mr. Deans: What good are you if you don't do it?

Interjections.

Mr. Renwick: That's the best question you've put. Why don't you wait for an answer?

Mr. Deans: Do you want to answer that?

Hon. Mr. Handleman: Have you got half an hour?

Mr. Deans: Listen, it could be answered in 10 seconds.

Mr. Speaker: Further questions? Thank you.

[2:30]

LOANS TO MILK PRODUCERS

Mr. Deans: I have a question of the Minister of Agriculture and Food. Since the basic

thrust in the milk industry policy today is to reduce production and the whole purpose of the IMPIP loan was to increase production, would the government consider removing the conflict in these policies by relieving the milk producers holding IMPIP loans of the obligation to meet greater production levels at this time, and do so without penalizing them on the 20 per cent forgiveness attached to the loans?

Hon. W. Newman: Mr. Speaker, if the member had been in the House on April 14, I made a statement doing just that.

Interjection.

Mr. Deans: No, you didn't.

Mr. Speaker: Order, please.

Mr. MacDonald: On a point of order, neither on April 14 nor now, has the minister replied to the question. The question is: As the province's share in resolving the complex problems in the milk industry at the present time, will the minister relieve IMPIP loan holders—

Mr. Deans: Of the 20 per cent.

Mr. MacDonald: —of the necessity of producing more milk when we don't need it; and at the same time, not penalize them on the 20 per cent forgiveness on the loans?

Hon. W. Newman: Mr. Speaker, I made a statement in the House on April 14 and I hope the member has read it—

Mr. MacDonald: I have.

Hon. W. Newman: —because I hope he didn't mislead those farmers out there this morning by what he told them. If he had read this statement he'd know exactly what was in it. That's exactly what I said. I'll repeat it for him; I'll even read the statement again if he wants.

Mr. MacDonald: Just give us the substance.

Mr. Speaker: Order, please.

Hon. W. Newman: The IMPIP loans created by the Province of Ontario in 1973 ran out at the end of December, 1975. Okay? Does the member understand that?

Mr. Reid: Slow down.

Mr. S. Smith: That is not Stephen Lewis there; slow it down.

Mr. Speaker: Order, please.

Interjections.

Hon. W. Newman: These IMPIP loans were to help build up our market share quota in the Province of Ontario so we would get our fair share of the market share quota which we were losing to other provinces. By agreement with the other provinces and federal government we did just that; we brought production up. As a result, this year our producers have not been cut so severely as the other provinces at this moment in time.

I have said in the House more than once—if members read Hansard—that any person having a problem with the IMPIP loan should see the ag. rep. Keep in mind that many of our fluid shippers who helped bring up production to market share quota do not need an extension of time to pay back their loans, some of them have already paid them back. I have said in this House before and I will say it again that if anybody has a problem with the IMPIP loan, any individual, they should contact their ag. rep. We have a special committee set up within the ministry to deal with that particular problem, to help anybody who's got a problem as far as the IMPIP loan is concerned.

As far as the forgivable part is concerned—this is what the member is concerned about—I have said right here it would be based on the same reduction as was in the notice which went out from the Ontario Milk Marketing Board yesterday. They said they must meet a 15 per cent reduction and we'll reduce the market share quota accordingly so they do not miss out on the forgivable part of their loan.

Mr. Speaker: The hon. member for Huron-Bruce.

Mr. Gaunt: Supplementary, Mr. Speaker—
Interjections.

Mr. Speaker: Order, please. The hon. member for Huron-Bruce wishes to ask a supplementary.

Mr. Gaunt: In view of the fact that this appears to be a short-term situation, would the minister consider putting dairy producers under the farm income protection plan even though the minister has previously stated that any commodity which has a supply management programme would not qualify under that plan?

Hon. W. Newman: Mr. Speaker, the member can't have it both ways. We've got a formula pricing change now in the milk industry, both for fluid and industrial milk. You can't have formula pricing—probably, I say probably, it could be better than a stabiliza-

tion programme because it's based on 1142. The member can't have it both ways. Which does he want?

Mr. S. Smith: In the short term you can.

An hon. member: Better still, raise more bulls.

Mr. Speaker: A final supplementary on this question from the member for Huron-Middlesex.

Mr. Riddell: Having met with the group this morning, is the minister prepared to recommend to the federal government that they accept a six per cent decrease this year which would mean, in effect, about a five per cent decrease in MSQ, in place of the 15 per cent which is being expected of them this year?

Hon. W. Newman: Mr. Speaker, the Ontario Milk Marketing Board warned Ottawa last April, and again in August, what they should do. They told them the problem was coming and to do something about it; but nothing was done about it and now we have this situation. Believe me, I feel sorry for those farmers who were out there this morning and for many other farmers in this province.

Mr. Laughren: They don't want sympathy.

Hon. W. Newman: I wrote to the federal Minister of Agriculture on March 4, before the national dairy policy was even announced, pointing out my concerns and the gravity of the situation. It really upsets me that they apparently didn't heed the letter from the Province of Ontario, but I am still prepared to go back. I have talked to the federal minister, and I think he sincerely would like to help these farmers, but I don't think his cabinet will give him any money. I say sincerely that, as far as Ottawa is concerned, I will go back to them again and try to do what I can to help the dairy farmers of this province.

Mr. S. Smith: Will your cabinet give you any money?

Mr. Speaker: Order, please. Does the hon. member for Wentworth have further questions? Twenty minutes have gone already on the leadoff questions—plus the supplementaries.

Mr. Deans: I am sorry we took so long.

Some hon. members: Shame, shame.

Mr. Speaker: Let's get on with the order of business.

Mr. Deans: I have a question of the Minister of Education. I would ask—

Interjections.

Mr. Speaker: Order, please. We have difficulty hearing.

WINDSOR TEACHERS' DISPUTE

Mr. Deans: I have a question of the Minister of Education. Can the Minister of Education indicate what further steps he plans to take as a result of his meetings with the Windsor Board of Education today?

Hon. Mr. Wells: Mr. Speaker, I might inform my friend that I not only met with the Windsor Board of Education this morning but also with the teachers' negotiating team from Windsor, who are also in town today. I hope to meet them again this afternoon.

While I realize the hon. member has received the message I have received from the board, the teachers of course still feel that a negotiated settlement is possible. I would like to assure myself that is an absolute impossibility, so I intend to meet them later today and explore whether there isn't some way that both parties can effect a negotiated settlement in this matter. I really cease to believe that isn't possible, although I must say the board presents a rather gloomy picture of that possibility.

I should also tell my friend that the Education Relations Commission, as he knows, had a hearing in Windsor last night, but we have not received their report at this time; their report may not be available to myself and the cabinet until tomorrow morning.

Mr. B. Newman: Supplementary: Is the minister aware that both sides are at an impasse at the present time and have been at an impasse for 19 days?

Hon. Mr. Wells: Yes, I am very aware there is an impasse, and of course what we are trying to do today is to find some way to solve the impasse. I must say that I place as first priority; and I am sure my friend would agree with me, the opening of the schools in Windsor. I think there may be a way this can be affected, short of this Legislature being asked to take on that particular job at this point in time.

Mr. Bain: Try a reasoned amendment.

Hon. Mr. Wells: I would hope that's possible. If it isn't, I will be back and tell the Legislature.

Mr. Speaker: A final supplementary. The member for Windsor-Sandwich.

Mr. Bounsall: Since it has been some three weeks now since the minister mentioned that he would consider some sort of innovative action with respect to this dispute, can he tell us now what that innovative action might be and when it might swing into action?

Hon. Mr. Wells: I think my friend will realize that to disclose that at this particular time might expose our hand and cause that action to be ineffective.

MENTAL RETARDATION CENTRES

Mr. S. Smith: Mr. Speaker, a question of the Minister of Community and Social Services: Can he confirm there are blueprints in existence for the construction of four core residences for the retarded on the grounds of Rideau Regional Centre? Does this not run contrary to his policy of integrating these residences within the community?

Hon. Mr. Taylor: Mr. Speaker, I had difficulty hearing, but is the member saying I had announced there were blueprints for four core residences?

Mr. S. Smith: No, will the minister confirm there are such blueprints?

Hon. Mr. Taylor: No, I won't confirm that, Mr. Speaker.

Mr. Singer: Will you deny it?

Mr. S. Smith: Is the minister prepared to say outright that such blueprints do not exist? And if he is not prepared to deny that, can he tell us whether such plans as may exist have been discussed with the district working group? Has there been some change in the minister's relationship with these working groups since we last spoke of the matter?

Hon. Mr. Taylor: Mr. Speaker, the district working groups have been put in action. They are functioning throughout the 19 districts and we do consult with them and receive their recommendations before any action is taken by my ministry involving matters with which they are concerned; so that prior to any change being made in that facility or in that complex, I will presumably receive recommendations from that district working group and will only act after they are received.

Mr. S. Smith: Are there any such prints? The minister didn't answer the question. Are there plans or not? Are there blueprints or not?

Mr. Makarchuk: If he didn't answer, there should be no supplementary.

Hon. Mr. Taylor: Mr. Speaker, I haven't seen any blueprints for additional buildings on that.

Mr. Singer: He didn't ask if he had seen them.

Mr. Speaker: The member for Nipissing with a supplementary.

Mr. R. S. Smith: Supplementary, Mr. Speaker: Is the minister aware that last week letters went out to relatives of people who are in the retarded residence at the psychiatric hospital in North Bay, that they would be moved into one of these units at Smiths Falls—of which the minister is obviously not aware—within the next two weeks? And would he comment on the fact that Feb. 12 in North Bay, the minister said that the retarded unit at the psychiatric hospital in North Bay would not be closed; and in fact it will be closed within that two weeks?

Mr. S. Smith: Do you know what you are doing at all?

Mr. Singer: He is playing games.

Hon. Mr. Taylor: The psychiatric unit, I believe everyone appreciates, now will be closed. That decision has been made.

Mr. S. Smith: It is not a psychiatric institution.

Hon. Mr. Taylor: Our residents in that particular facility will be replaced—

Mr. Roy: Replaced?

Hon. Mr. Taylor: I'm sorry—they shall be placed in other accommodation. As a matter of fact, some of them we are trying to place in the community and others will be placed in other institutional settings, whatever is required for their needs. I may say in reference to the district working group process, that for the first time the district working group is being consulted in regard to placements. That is taking place as a matter of fact, in the Goderich area.

Mr. R. S. Smith: Further supplementary Mr. Speaker.

Mr. Speaker: Final supplementary on this.

Mr. R. S. Smith: Does the minister not understand that retarded adults are being removed from a setting in which they have been for 20 some years, close to their families, and are being moved 270 miles away; and that after he had indicated this in fact would not happen? There are 70 in that one institution who are being moved and there are a great number across the province who are also going through the same traumatic experience.

Hon. Mr. Taylor: Mr. Speaker, first of all I would like to make it clear I did not categorically state that the—

Mr. Singer: Not categorically; no, you didn't state it categorically.

Hon. Mr. Taylor: I've never stated so in this House. The member is referring to a meeting in North Bay. I would add, I never categorically stated what the final disposition of that facility would be. It so happens that the residents will be placed. The member should know it is the philosophy of our ministry to integrate the residents with the community.

What we're trying for, as the member knows, is normalization. Where we can place those residents in the community, they will be placed in the community. That is the concept and the intention, insofar as they can be accommodated there. Others will be accommodated as closely as possible to their friends and relatives.

Mr. S. Smith: It is just a large community.

Mr. Singer: Categorically or not categorically.

Mr. S. Smith: A 270-mile community.

JUVENILE DETENTION FACILITIES

Mr. S. Smith: A question of the Attorney General, Mr. Speaker: With his interest, which I know he has, in crime prevention, and his awareness in how the brutalization of young people in correctional facilities can breed more crime than it prevents, can he say anything about the deputy superintendent, Mr. Lazanik's, statement that in 1975 juveniles in the Bowmanville training school were put into isolation 101 times. Why is this brutal and mentally disruptive form of punishment still in effect when we know that isolation has no real beneficial effect on these people?

[2:45]

Hon. Mr. McMurtry: Mr. Speaker, I do have personal views with respect to this matter, but I think the question should really be more properly directed to the Minister of Correctional Services (Mr. J. R. Smith).

Mr. S. Smith: I would like to redirect the question to the Premier. The minister is not here and I assumed the Attorney General was interested in such matters as well. Perhaps the Premier would care to comment; and maybe he would also comment on the claim that there are isolation cells in the regional diagnostic and assessment centre in Oakville and in each of the 10 Ontario training schools? Do we really need these kinds of horror programmes in this day and age?

Hon. Mr. Davis: Mr. Speaker, I will not comment at great length except to make the general observation, not being an expert in the field, that the whole programme of correctional services in this province is probably regarded as highly as any in Canada or anywhere else.

Interjections.

Hon. Mr. Davis: It is, and I think the member for Hamilton West knows this even, with his great experience. Mr. Speaker, I would say with respect that that question should be properly directed to the Minister of Correctional Services, who is not here today—which is perhaps unusual for him and not that unusual for the member for Hamilton West.

Mr. S. Smith: Don't get personal.

Hon. Mr. Davis: You raised it.

Mr. S. Smith: I'll compare my attendance with a good many on that side of the House, including your own.

Mr. Speaker: Order, please. The hon. member for Hamilton West.

Mr. S. Smith: Let's not make personal slurs when you have no reason to.

Hon. Mr. Rhodes: Oh, he's a little touchy.

Mr. Speaker: Order, please. The hon. member for Hamilton West with further questions.

Mr. S. Smith: I have a question of the Attorney General.

Interjections.

Mr. Lewis: The Premier's days are numbered.

Mr. Speaker: Order, please the hon. member for Hamilton West is asking a question.

BROWNDALE OPERATIONS

Mr. S. Smith: Is the Attorney General aware that only one of 13 childcare workers is left in the Peterborough Browndale Home—10 having quit and two having been fired this year—and that four workers have been fired at Haliburton? Is he aware of that, and would he take this information as further evidence that there is something seriously wrong in the Browndale operation that requires public scrutiny?

Hon. Mr. McMurtry: I'm not aware of the information related by the leader of the Liberal Party. Again, any information that the leader of the Liberal Party feels is relevant will be delivered to those who are conducting the investigation of which we have spoken before in this Legislature.

Mr. Reid: What does your staff do?

Mr. S. Smith: A supplementary: Is the Attorney General proposing that I take a part-time job as a member of his staff?

Mr. Moffatt: That's a good idea.

Mr. S. Smith: Do the people working for you do anything?

Hon. Mr. Rhodes: A few part-time jobs—part-time with him and part-time here.

Mr. Speaker: Order, please. The hon. member will place the question if he has a question. If not the member for Lakeshore.

TRIAL DATES

Mr. Lawlor: I have a question of the Attorney General. How come that in the assault charge cases laid against the Flyers hockey players and also in the Sky Shops case in Ottawa, the accused are able to go into court and obtain two-month remands, or breathers, before the date for trial is set?

Mr. Breithaupt: They have to finish the season.

Hon. Mr. McMurtry: In answer to both questions, I'm sure the member for Lakeshore, being somewhat experienced in these matters, would appreciate that there is a reasonable time required, and sometimes a good deal of time required, for both the preparation of the prosecution and for the preparation of the defence.

Mr. Lawlor: A supplementary: Would the Attorney General, therefore, send a note to all his Crown attorneys in the province instructing them to extend the same boon to all members of the citizenry who so desire?

Mr. Singer: In keeping with the speeding up of the process of justice.

Hon. Mr. McMurtry: Mr. Speaker, the member for Lakeshore knows full well that no citizen has been deprived—

Mr. Lawlor: Nobody? Nobody?

Mr. Speaker: Order.

Hon. Mr. McMurtry: —of a reasonable opportunity to prepare defence of a serious committal charge. He knows that. Don't talk nonsense.

Interjections.

Mr. Speaker: Order, please. We have difficulty hearing today. Could there be less noise in the chamber?

Mr. Bullbrook: Supplementary: Could the Attorney General assure all accused coming before the courts of the Province of Ontario that they will be met by the police who will open their door and advise them that the way is clear now, sir?

Interjections.

Mr. Bullbrook: And would the Attorney General please rationalize for the public of Ontario in some sensible and positive fashion that there is not a law for the rich and a law for the poor other ones?

Mr. Lawlor: Or for doctors, or for hockey players?

Mr. Bullbrook: I want an answer.

Mr. Speaker: Order, please. The hon. Attorney General.

Mr. Bullbrook: I want an answer to that.

Hon. Mr. McMurtry: I'm sorry, Mr. Speaker, I didn't hear any question. I heard a couple of brief speeches from the member for Sarnia, but no questions.

Mr. Lewis: The Attorney General should not have said that.

Interjections.

Mr. Speaker: Order, please.

Interjections.

Mr. Bullbrook: If the hon. Attorney General wants to have some debate or dialogue on this, we will have it any time he wishes. I am asking: Does the Attorney General entertain that it is a manifest example of justice in this province that a police officer comes and opens the door for a senator

and the president of the National Hockey League and says: "The way is clear now, sir"? Is that going to be the treatment he gives all accused in this province coming before the courts? That's what I want to know.

Hon. Mr. Rhodes: I believe you guys really did split.

Hon. Mr. McMurtry: First of all, as the member for Sarnia knows, the police do not come under the jurisdiction of the Ministry of the Attorney General.

Mr. Bullbrook: So you support that.

Mr. Speaker: Order, please.

Hon. Mr. McMurtry: As to whether or not an individual police officer wants to extend the courtesy about which the member speaks to an individual member of the public, I do not know of the facts he is relating to the House. If he has any specific complaints to make with respect to the conduct of any police officer, I think he should make them or refer them to the appropriate authorities, namely the Ottawa police department.

Mrs. Campbell: The Attorney General doesn't know anything about anything but hockey.

Hon. Mr. McMurtry: We don't try to control the conduct of every police officer every hour of the day. The member knows that.

Interjections.

Mr. Speaker: Order, please.

Mr. Bullbrook: I have just one further supplementary.

Interjections.

Mr. Speaker: Order, please. There is so much noise it is very difficult to know what is going on, and it is coming from all sections of the House. So if we didn't hear a member, it is not my fault up here, I want to point that out.

The hon. member for Sarnia may ask a brief supplementary.

Mr. Bullbrook: Recognizing that the operation of the police is the responsibility of the Solicitor General (Mr. MacBeth), who happens to be absent at this time, since the responsibility of the public view of justice is that of the Attorney General, will he look into the matter of the treatment given externally to these people in the Sky Shops matter?

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. McMurtry: Yes, Mr. Speaker.

Mr. Speaker: The hon. member for Riverdale with a final supplementary on this.

Mr. Renwick: Supplementary question: As an alternative to the suggestion made by my colleague, the member for Lakeshore, about instructions to the Crown attorneys, will the Attorney General accompany me next time I appear in provincial court No. 21 at the Old City Hall, and stand up and ask for an eight-week remand in order to set a date for trial?

Mr. Lewis: Fat chance!

Hon. Mr. McMurtry: I invite the member for Riverdale, and indeed any other member of the Legislature who is appearing in court on behalf of a client, to indicate to me at any time they feel any of my agents have not accorded them reasonable courtesies, and in particular sufficient time to prepare their case. I would be delighted to be advised of any such information.

Interjections.

Hon. Mr. McMurtry: As members know, the ultimate decision with respect to the setting of a trial date is that of the provincial court judge; as the member for Riverdale fully appreciates, we do not control the trial dates, they make the ultimate decision in that regard. We can make recommendations, but the decision is still that of the trial judge.

Mr. Speaker: The member for Rainy River.

Mr. Lewis: I was in court once and the officer didn't even remember my name, let alone open the door.

Mr. Speaker: Order, please.

HIRING OF LIFEGUARDS

Mr. Reid: Mr. Speaker, I have a question of the Minister of Natural Resources. Is my information correct, that correspondence has gone out from the ministry to people telling them that it will not be hiring lifeguards across the province for the provincial parks and those waterways under its jurisdiction, because of the restraint programme?

Hon. Mr. Bernier: Mr. Speaker, we have never in the past supplied that kind of protection for the waterways. We have provided a beach patrol protection within our provin-

cial park system. In our restraint programme, the districts were advised of a number of ways they could cut back the financial burden and meet the budgetary requirements of my ministry.

Mr. Reid: What ways? Name them.

Hon. Mr. Bernier: One of them was, in certain areas, to cut back on the beach patrol programme. There's been no finalization as to where this cutback would occur, nor in what parts it would occur.

Mr. Reid: Supplementary: Would the minister not agree that this is a rather vital area; and would he not think that in the long run this is certainly foolhardy and that he should ensure that these beach patrols do, in fact, take place?

Hon. Mr. Bernier: It may well be, Mr. Speaker, that in certain areas beach patrols will be maintained. I would have to say to the hon. member that the parents of children going to our provincial parks may be asked to take just a little more responsibility in the care and control of their children when they take them to enjoy the pleasures we have in our provincial park system.

Mr. Lewis: Supplementary: How does the minister measure these priorities for restraints, when he recalls, as I do, the little six-year-old who died in July of last year at Outlet Beach near Picton as a result of a drowning, and the feeling in the community that had we adequate beach controls on a continuing basis some of these incidents would not occur?

Hon. Mr. Bernier: Mr. Speaker, I just pointed out that it may well be in certain areas we will have beach patrols still in effect. But we have budget restraints, we have to comply with those restrictions and we think we can provide the necessary protection where the dangers are extreme.

Mr. Reid: Not when the health and safety of people are concerned.

Mr. Lewis: You are really overdoing it. Have you seen a letter from a member of the Faculty of Law about this?

KELSON SPRING PRODUCTS LTD.

Mr. Lupusella: I have a question of the Minister of the Environment, with regard to Kelson Spring Products Ltd., a bedspring manufacturing company located on Brandon Ave. in Dovercourt riding. The Minister of the Environment told me on Dec. 16, 1975,

that the ministry in conjunction with the municipality, was considering an appeal to make sure the company was going to follow the minister's control order.

In view of the fact that the Environmental Appeal Board dismissed the appeal of Kelson Spring Products on March 10, 1976, how does the minister intend to enforce the control order, now that the appeal has been dismissed?

Hon. Mr. Kerr: Mr. Speaker, I understand that matter is still before the courts and there is a hearing. I believe next week, the first week of May, where the appeal will be considered further. There is some question as to jurisdiction and the hearing was adjourned from March. So the control order is still in effect until that hearing is disposed of.

Mr. Lupusella: By way of supplementary, in the light of the fact that on March 17, 1976, I was informed by the lawyer representing the residents living in the vicinity of this factory that the company has launched two actions in the divisional court to quash the control order, and further, that the ruling of the Environmental Appeal Board be reversed. I would like to ask the minister, what kind of a control order is this? Is the government going to do anything about this situation, or is it going to follow its usual path of favouring the interests of business over the interests of people?

[3:00]

Hon. Mr. Kerr: No, Mr. Speaker, there is no intention of favouring anybody. The appeal was launched by my ministry. I think that indicates some sincerity on the part of the ministry as the result of the decision of the division court. Before the appeal can be heard—this is the information I have—there is the question of whether or not the control order in fact was valid in the first place. So that matter has to be disposed of at a hearing that I believe will take place next week; I think it's May 4.

In the meantime, we are attempting to deal with the owner of that plant, to make sure that he does maintain the controls we've imposed on him, because he is a source of pollution in that neighbourhood, and to work out a programme. However, if we have to continue going to court every two or three months in order to get some co-operation, I suppose we'll have to do that. As I say, the matter is to be heard, I believe next week, on a motion by the plant's solicitor as to the question of the validity of the control order. Once that is disposed of, then the appeal itself will be heard.

ESSEX PACKERS

Mr. Riddell: I have a question of the Attorney-General in connection with the leasing of Essex Packers to the DeJonge Group. In view of the fact the province has a clause in its lease with Essex Packers enabling it to cancel the lease, yet it chose not to exercise that option; in view of the fact that the province chose not to call public tenders; and in view of the fact there have been many allegations made about the mishandling of this whole affair, would the Attorney General conduct a judicial inquiry to establish why the fate of Essex Packers was linked to the Guelph Centre lease?

Hon. Mr. McMurtry: I don't know that any of the inferences that might be drawn from my friend's question would in any way suggest that any formal judicial inquiry is warranted in the circumstances. If he has a specific question in relation to any aspect of that transaction, I'll attempt to obtain the information for him in the absence of the Minister of Correctional Services (Mr. J. R. Smith), whose ministry is responsible for entering into the lease.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Motions.

Introduction of bills. The hon. Minister of Housing.

PLANNING AMENDMENT ACT

Hon. Mr. Rhodes moved first reading of bill intituled, An Act to amend the Planning Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Rhodes: This bill contains mainly housekeeping provisions, with the exception of section 3 which sets out new provisions relating to the locating of mobile homes in the province. Section 2 extends the exemptions from part lot controls to include an exemption for utility lines as defined in the Ontario Energy Board Act. Under section 4 of the bill the provisions for delegation of planning approvals to the local level have been broadened to include certain approvals given by the Ministry of Housing under the Condominium Act, the Municipal Act and the Registry Act.

INDIVIDUALIZED PRICE MARKING ON PRODUCTS ACT

Mr. MacDonald moved first reading of bill intituled, An Act to provide for Individualized Price Marking on Products.

Motion agreed to; first reading of the bill.

Mr. MacDonald: The purpose of this bill is to assure the continuance of individual price marking on products, in view of the imminent elimination of such individual price marking by supermarkets as part of their computerized checkout installations, thereby eliminating comparison shopping which is the major weapon today for shoppers, or consumers, to protect the family budget.

HOUSING DEVELOPMENT AMENDMENT ACT

Hon. Mr. Rhodes moved first reading of bill intituled, An Act to amend the Housing Development Act.

Motion agreed to; first reading of the bill.

Hon. Mr. Rhodes: Mr. Speaker, the amendments proposed here are primarily of a housekeeping nature. Two of them are necessary in order to extend the very successful Ontario home renewal programme to include rental accommodation and to make provision for loans for converting existing buildings to residential accommodation. Also, under this programme, the bill proposes to permit a municipality to take a promissory note as security for one of these loans rather than a mortgage.

LABOUR OMBUDSMAN ACT

Mr. Reid moved first reading of bill intituled, An Act to provide for the Appointment of a Labour Ombudsman.

Motion agreed to; first reading of the bill.

Mr. Reid: Mr. Speaker, the purpose of the bill is to establish a labour ombudsman to hear and investigate employee complaints with respect to employers and trade unions. It will give the ordinary worker some protection in his rights, vis-à-vis both the union and his employer, particularly those who are not served by organizations.

ONTARIO HUMAN RIGHTS CODE AMENDMENT ACT

Mr. Leluk moved first reading of bill intituled, An Act to amend the Ontario Human Rights Code.

Motion agreed to; first reading of the bill.

Mr. Leluk: Mr. Speaker, the purpose of the bill is to prevent discrimination because of marital status with respect to the occupancy of any commercial unit or any housing accommodation.

ONTARIO BILL OF RIGHTS ACT

Mr. Roy moved first reading of bill intituled, An Act to establish the Ontario Bill of Rights.

Motion agreed to; first reading of the bill.

Mr. Roy: Mr. Speaker, this must be the third or fourth time I have introduced this bill. The purpose of it, of course, is to submit all legislation emanating from this Legislature, along with all regulations, to the fundamental freedoms enacted in the bill. Presently we have a bill applying only to federal legislation and not to provincial legislation. It is most important that we have some control, especially in the area of regulation, and that the fundamental freedoms be protected.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Before the orders of the day, I wish to table answers to questions 32 and 34 standing on the order paper. (See appendix, page 1736.)

Mr. Speaker: Orders of the day.

CITY OF CAMBRIDGE ACT

Mr. Davidson moved second reading of Bill Pr5, An Act respecting the City of Cambridge.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr5, An Act respecting the City of Cambridge.

NAPCO POULTRY LTD. ACT

Mr. Mancini moved second reading of Bill Pr11, An Act respecting Napco Poultry Ltd.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr11, An Act respecting Napco Poultry Ltd.

TOWN OF FORT ERIE ACT

Mr. Breithaupt, on behalf of Mr. Haggerty, moved second reading of Bill Pr14, An Act respecting the Town of Fort Erie.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr14, An Act respecting the Town of Fort Erie.

TOWN OF FORT ERIE ACT

Mr. Breithaupt, on behalf of Mr. Haggerty, moved second reading of Bill Pr15, An Act respecting the Town of Fort Erie.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr15, An Act respecting the Town of Fort Erie.

INSTITUTE OF PROFESSIONAL LIBRARIANS OF ONTARIO ACT

Mr. Breithaupt, on behalf of Mrs. Campbell, moved second reading of Bill Pr17, An Act respecting the Institute of Professional Librarians of Ontario.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr17, An Act respecting the Institute of Professional Librarians of Ontario.

CITY OF NIAGARA FALLS ACT

Mr. Kerrio moved second reading of Bill Pr18, An Act respecting the City of Niagara Falls.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr18, An Act respecting the City of Niagara Falls.

CITY OF OTTAWA ACT

Mr. Villeneuve, on behalf of Mr. Morrow, moved second reading of Bill Pr20, An Act respecting the City of Ottawa.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr20, An Act respecting the City of Ottawa.

[3:15]

CORPORATIONS TAX AMENDMENT ACT

Hon. Mr. Meen moved second reading of Bill 45, An Act to amend the Corporations Tax Act.

Mr. Renwick: Mr. Speaker, Bill 45, An Act to amend the Corporations Tax Act of Ontario, is replete with a number of technical changes to the taxing statute. Some of them incorporate the various amendments proposed by the Treasurer (Mr. McKeough) when he made his budget address some weeks ago.

Subject, of course, to whatever specific or general comments others may wish to make, so far as I am concerned I would ask that the bill go to committee of the whole House and that we deal with it, with adequate explanation, section by section.

Mr. Speaker: Any further comments on this bill? The hon. member for Perth.

Mr. Edighoffer: Mr. Speaker, I would say, first of all, that our party will support the amendments to the Corporations Tax Act. It certainly seems very clear that it includes items which were outlined in the budget and, of course, I think it adds to and clarifies a number of sections which reflect on sections in the federal Income Tax Act.

As I recall, in the budget statement the provincial Treasurer did say that he was going to relieve the situation for small businessmen. However, it appears now that basically he is only shifting some of the taxation and certainly it will not be of as much benefit as explained in the budget. But we, as a party, will support the Corporations Tax Amendment Act.

Ms. Bryden: As my colleague from Riverdale (Mr. Renwick) mentioned, this is mainly tidying up and bringing a number of matters into line with the federal Act. There are a couple of points in it that I would like to deal with specifically.

The main clause in this bill of interest to us, I think, is the reduced rate for small business. As the member for Perth mentioned, it's not a very great monetary benefit to small business because the \$30 million it's going to

cost is being recovered by the withdrawal of another tax, the tax on capital, which also costs \$30 million. There's no net gain to small business from that particular switch.

It appears, though, that the government is replacing what turned out to be an unworkable tax with one which we hope will be workable and will give small business a benefit. It's true that according to the budget small business is getting \$11 million in aid this year; \$9 million in transitional aid for moving from the one form of taxation to the other. That will be a one-shot deal. And \$2 million is revenue lost by excusing them from making instalment payments if their income is \$2,000 or under which, again, will be a one-shot loss.

I hope the government doesn't consider that this is an adequate small business programme to compensate them for the disadvantages which they suffer in obtaining credit, in the marketplace in competing for special prices and that sort of thing. This government really is working against small business by supporting and favouring big business in a great many of its laws, particularly in its corporation tax laws which tend to support the concentration of business and offer special favours of which mainly big business can take advantage.

Really, one might say that small business needs more competition and that in supporting that we are the only free enterprise party. The kind of free enterprise the members across the floor recommend is the freedom to rip off consumers, to concentrate, to get government aid and favours for promoting bigness.

Interjection.

Ms. Bryden: So we would like to make sure that they don't consider that this is an adequate answer to the needs of small business, or to the need for ensuring that we get real competition in our economy.

There is another point that I would like to raise, Mr. Speaker, and that is that while we have this amendment before us to give a reduced rate of corporation tax to small business, I am disappointed that there is no general increase in the rate of corporation tax for other business. There are three provinces ahead of us in the rate of corporation tax. We have been at 12 per cent for a good many years, and are still there. British Columbia is at 15 per cent; Newfoundland at 14 per cent; Manitoba at 13 per cent.

One point of the corporation tax would raise \$80 million, and this amount could have been used to avoid the very damaging cut-

backs in health and social services, which are estimated to save about \$65 million. It seems to me that would have been an eminently more reasonable way of raising the money the Treasurer needed at the time in order to reduce his overblown deficit, instead of taking it out of the sick, the aged, the poor and children. However, that is not in this particular Act.

Thirdly, I would like to speak for a minute about the increase in the insurance premium tax. A 50 per cent increase in the rate has been proposed, but since the budget was brought down the provincial Treasurer has announced a pullback in this proposal, which we had looked on as the only business tax increase in the budget, and the only recognition by the government that perhaps it should be getting more money from the business sector. The pullback looks like a bowing to the insurance lobby.

I would like to know the reasons why it was decided that the tax could be applied only to business written after April 6 instead of to all the premium income of the insurance companies. I think the provincial Treasurer mentioned something about competition in the US market as being the reason. I would like to know if there is any evidence that business will actually be lost in the US, or perhaps it could just be a slight trimming of profit. It depends on whether there is a profit sufficient that the extra tax would not really reduce their viability as a company to make a profit.

We have decided to support this bill, because we want to see the small business rates go into effect and because we agree that a lot of the tidying up amendments are necessary, but I would have hoped that the bill could have included an increase in the corporate rate.

Mr. Speaker: Do any other hon. members wish to speak to this bill? The hon. minister.

Hon. Mr. Meen: Mr. Speaker, I must say that I appreciate the expression of support from both opposition parties. I think we might leave our detailed discussion of the various sections, some of which are extremely complex, until the bill is in committee.

The hon. members have noted that some of the provisions in the bill are pursuant to the Treasurer's budget statement on budget night, and that others are of a housekeeping nature.

Mr. Renwick: We can hear you.

Hon. Mr. Meen: The mike appears to be working, but the light isn't on, so I was in some doubt if it was.

Mr. Stokes: You are coming through loud and clear.

Mr. Edighoffer: Speak on the right side of your mouth.

Hon. Mr. Meen: Yes, it would be the right side of my mouth in that case, you will notice. I don't have the full details at the moment on the background to the alteration in the insurance premiums tax. I would expect to have further particulars on that. As hon. members know, the Treasurer announced this revision to his budget and consequently asked me to adjust the bill in committee. He announced the revision just last Thursday, and I haven't yet had a chance to apprise myself of the net effects; nor, for that matter, of all the arguments advanced.

The hon. member has indicated that the increase was intended from the beginning, to be only on new business. My understanding of that is that the Treasurer simply did not want to tamper with the profit-and-loss picture that is already written into existing contracts, and that only where the contracts of insurance are renewable would any such new rate apply. I think that is what one might call fair ball. But the significance of its impact on sales in other countries is something for which I don't have particulars at this time; I may be able to get them between now and when we discuss this in committee.

The small business tax credit—that is, the amendment in this bill—is indeed a considerable simplification of a system that I suggest was not entirely unworkable; it was certainly far more complex than the proposal in this bill which I think is welcomed on all sides. Of course, the effective reduction from 12 per cent to nine per cent is a real plus for small businesses too.

With those few comments, Mr. Speaker, I will wind up my observations, except to observe that I would like to put this bill into committee, as has already been announced, for the purpose of this amendment and the amendment with respect to insurance premiums tax as well as a number of other minor refinements on the sections presently in the bill before the House. I had been contemplating whether I would ask that the bill go to the standing committee on administration of justice, rather than to the committee of the whole House, and I invited the member for Riverdale to express his view on this. He indicated to me that he would be quite satisfied with the bill going into the committee of the whole House, which is perfectly satisfactory to me, except that it does have the minor disadvantage that if we get into

something of an extremely technical nature, I may have to advise the hon. members that I would have to get the answers for them at another time. But I shall do my best to answer the questions and deal with the matters in the committee of the whole House.

Mr. Renwick: The member for Sudbury (Mr. Germa) says he will stay around and help the minister.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this be sent to the committee of the whole House?

Agreed.

MUNICIPALITY OF METROPOLITAN TORONTO AMENDMENT ACT

Mr. Norton, on behalf of **Hon. Mr. McKeough,** moved second reading of Bill 54, An Act to amend the Municipality of Metropolitan Toronto Act.

Mr. Renwick: Mr. Speaker, Bill 54, An Act to amend the Municipality of Metropolitan Toronto Act, is a collection of miscellaneous amendments which, in the view of our caucus, can best be dealt with in committee of the whole House and we therefore will not oppose the passage of the bill for second reading.

Mr. Speaker: Does any other hon. member wish to speak to this bill at this time?

Mr. Cassidy: Not yet. But the competition isn't that great.

Mr. Speaker: Does the parliamentary assistant wish to reply?

Mr. Norton: Yes, Mr. Speaker. I have no further comments to add to the statement of the minister unless there are any specific matters that the other members wish to raise.

Motion agreed to; second reading of the bill.

Mr. Speaker: Is it agreed that this bill shall be considered by the committee of the whole House?

Agreed.

Hon. Mr. Meen: Mr. Speaker, I understand that the next order of business, as arranged between the parties, was the ninth order. The minister has been out of the House in committee and a messenger has just been sent for him; with the indulgence of the House, perhaps we might hold on for a minute or so.

Mr. Renwick: He's not in committee.

Mr. Cassidy: He is not in committee. What committee?

Hon. Mr. Meen: He has been in a committee meeting—not a committee meeting of the House necessarily. I think he should be here in a minute or so.

[3:30]

Mr. Speaker: Thank you. We will just wait for a moment then.

Hon. Mr. Meen: Mr. Speaker, I understand, with the concurrence of the other other parties, that if the seventh order is in order for debate—the Regional Municipalities Amendment Act—we could follow the seventh order while we're waiting.

Mr. Renwick: Mr. Speaker, on a point of order, we had a specific commitment among the House leaders that Bill 55 would not be called until next week.

Mr. Good: Mr. Speaker, we are ready for Bill 55 if the House wishes to proceed.

Mr. Speaker: If there was a commitment made to hear—

Mr. Good: Next week there will be no legislation, I understand.

Hon. Mr. Meen: Without agreement from both of the opposition parties, I don't think it would be appropriate to call that bill, Mr. Speaker. I understand that the Minister of Consumer and Commercial Relations (Mr. Handleman) is on his way and should be here imminently.

Mr. Cassidy: Why don't you adjourn the House for half an hour?

Hon. Mr. Kerr: Why don't you continue the Throne Speech debate?

RESIDENTIAL PREMISES RENT REVIEW AMENDMENT ACT

Hon. Mr. Handleman moved second reading of Bill 60, An Act to amend the Residential Premises Rent Review Act.

Mr. Cassidy: Mr. Speaker, before we begin the debate, perhaps the minister would like to make a statement explaining why the government chose to bring the bill in at this time.

Hon. Mr. Handleman: Mr. Speaker, I did make an introductory statement the day I introduced the bill on first reading and per-

haps I could repeat the philosophy behind the amendments. Most of them are housekeeping in nature. I am sure the hon. members will recognize that there have been a number of uncertainties about certain sections of the bill.

One of them deals with periodic tenancies. Our own legal people felt that while there is no doubt in their minds as to the intent of the Act to cover periodic tenancies, there should be an amendment making this absolutely clear. That, of course, is what we have done.

The question of holding back overpayments of rent has arisen. It is limited to one month but in many cases, because of delays in decisions being brought down, it has been found that if it is reclaimed in one month, the rebate totals more than one month's rent. Therefore, the tenant is barred from withholding that on future payments of rent. That is being clarified now. The withholding of rent can take place until the total rebate has been withheld.

There is the question of mobile homes. We wanted to make sure that mobile homes on a mobile home site were also included in the process and that is being done by an additional housekeeping amendment.

Also we are trying to close what many people have conceived to be a loophole. Quite frankly, I think it was probably well known to most of the members at the time the Act went through that this loophole did exist. That was the possibility of there being an eight per cent increase in July, 1976, and a consequent increase starting in August, 1976, which would total slightly over 16 per cent over a period of 13 months.

I must say, though, in fairness to many of the large landlords, that most of them have been using a pro-rated type of formula which does result in something like two-thirds of one per cent per month over the total period of the extended lease. They have had something like 11 per cent over 16 months and things of that nature. It is quite true, also, that some other landlords have very definitely used the loophole in order to obtain the maximum rent increase without rent review.

I have been saying, during this period when this has been legal, that a tenant can defeat any move of that nature by a landlord simply by asking for a rent review. Of course, the rent review officer can avoid the possibility of a second increase simply by issuing an order confirming the first one which ties that increase to a period of 12 months. However, most tenants do not wish to initiate rent review proceedings on an eight per cent in-

crease and, therefore, we felt the amendment should be brought in limiting a total increase of eight per cent to any 12-month period.

The basic amendment, of course, and the reason we're bringing it in at this time, is to take out of the rent review process all those units which are publicly owned, which are already subject to some form or other of rent review either by the government or an agency of the government or by an institution which is, by definition, a non-profit institution. It seems to us, and it was said in the debates on the original Act, that there can be overkill in the form of government intervention in the rental market. Certainly, this is a prime example of it.

We have unlimited numbers of cases which would indicate the absolute idiocy, in my view, of imposing a cross-pass-through system of rent calculation on top of a rent-geared-to-income system of rent calculation. In many cases, the anomalies are so striking that I really do think the House should hear at least a couple of them. These are not the most extreme ones; we have some that are really almost out of this world.

I have one here of Mr. A, in Toronto, who has now an annual income of \$15,300 and is currently paying \$124 a month rent on his rent-geared-to-income unit because of rent control. Under the proper formula of rent-geared-to-income he would be paying \$291, which is still below market value. In this case, what we're really doing is depriving a low income person of that rental unit because it's not available to him. The person obviously cannot be evicted—nor should he be—but we feel he should be paying the proper rent under the rent-geared-to-income plan and that the rent review process is another artificial factor in the determination of his rent.

We have a Mr. B, of Scarborough, who has an annual income of just over \$13,000 and who is renting his unit now for \$105 monthly. Under the normal rent-geared-to-income he would be paying \$245. It's still highly subsidized and still below market value. I don't think there would be much purpose in bringing in a long list of these cases. Horror stories are easy to list and we can spend a long time on them. I simply want you to know, sir, that these are representative of what is happening in the public housing system.

We've had letters from universities, from hospitals, from regional governments, from the association of housing authorities, all requesting this amendment. As far as the ministry is concerned, we feel we should bring it in so that we can concentrate our resources in those areas where we think there is the

greatest need, which is the commercial rental market. We would like to be able to catch up with the backlog which has resulted somewhat from the fact that these have been included in the programme. We would hope that the House would provide speedy passage to these amendments.

Mr. Speaker: Does any member wish to get involved in the debate? The hon. member for Ottawa Centre.

Mr. Cassidy: Mr. Speaker, I think it is interesting that the way the government respects the House is for it to bring forward a matter which had already been rejected by the House three or four months ago. As far as the Ontario Housing Corp. coverage is concerned this was a matter which was fully debated at that time and fully debated in the committee. However, I gather what has happened is that some kind of deal has been made between the government and the leader of the Liberal Party, who has just come into the House, in order to leave the OHC tenants high and dry. That's literally what is happening.

Hon. Mr. Handleman: Mr. Speaker, on a point of order, I simply want to say there have been no deals. I have not even spoken to the leader of the Liberal Party on this subject and I really think that remark should be withdrawn.

Mr. Cassidy: The day after the bill was presented, the leader of the Liberal Party was on the radio saying, "Yes, sir, no, sir, three bags full. We'd be happy to go along with the government."

Mr. S. Smith: On a point of privilege, this is ridiculous. If the member wishes to address himself to the bill that's fine, but to make insulting remarks, to paraphrase my comments on television in a particularly juvenile manner which is in bad taste, is really not using the time of the House in an effective manner and impinges on my privilege.

Mr. Makarchuk: That's not called insulting remarks; that's called reality therapy.

Mr. Cassidy: Now that the Minister of Consumer and Commercial Relations and the leader of the Liberal Party have both felt moved to get to their feet, the point is that they are both in the same bed together and it's the OHC tenants of this province who are going to be the victims because of this union they have forged.

Mr. S. Smith: You are mud slinging.

Mr. Cassidy: I don't know how they did. Maybe they did it through serendipity or psychic communication.

Interjections.

Mr. Speaker: Order, please.

Interjections.

Mr. Speaker: Order, please. I think it is inappropriate to suggest that there have been deals made.

Mr. Cassidy: Well, all right. I suggest, Mr. Speaker, then some form of psychic communications, to which we are not ken, has taken place.

Mr. S. Smith: Now you are making a bigger fool of yourself than you usually do.

Mr. Cassidy: Let me talk about strange bedfellows.

Interjections.

Mr. Cassidy: The Liberal Party went through the last election saying they were the friends of tenants.

Mr. Speaker: Order, please.

Mr. Sweeney: That has nothing to do with the legislation.

Mr. Cassidy: Well, it has, as a matter of fact.

Mr. Speaker: We are dealing with second reading of Bill 60, which is the principle of this bill.

An hon. member: Deal with the bill.

Mr. Cassidy: Fine, Mr. Speaker. The Minister of Consumer and Commercial Relations has been going up and down the province for some time saying he wishes he could get out of rent control. And now he is starting with the OHC tenants, with limited-dividend tenants, with people who happen to live in religious institutions and with people who are in mobile homes. Who knows what other amendments he is going to have in another month or two? This is a process of creeping decontrol, beginning with those people who are least able to cope for themselves.

I would like to suggest that it is also a procedure which ignores not only the wishes of this Legislature but also ignores the representations that were made in a very open and forthright kind of way by the Federation of Ontario Tenants' Associations to the select committee of the Legislature that studied

the rent control bill last fall. They proposed—and I will quote:

That since the present rent scale is currently under review by the Ontario government that the rent controls be in effect until the rent review is completed and a new rent scale based on a rent scale proposed by FOTA is in effect.

We have had some discussions around the province, as perhaps the minister has as well. I want to tell him that it is the policy of the New Democratic Party to listen to tenants as well as to landlords, to listen to public housing tenants as well as housing authorities, and there is a pile of frustration there like you wouldn't believe.

There is frustration because of the way in which those tenants have been dealt with by the government. They feel, and rightly, I think, that they have been dealt with unfairly. They feel that their legitimate presentations to the government have simply been swept aside. They feel they are being made victims, if not scapegoats, by the government in its efforts to cover up for the administrative problems which are now becoming apparent in the rent review scheme. We had some misgivings in the combination, I can admit this, Mr. Speaker, of a rent-gear-to-income system and rent control.

Hon. Mr. Handleman: Well, you should have.

Mr. Cassidy: What persuaded us last December to move the amendment to bring OHC tenants into this particular bill was the fact that nothing else was getting through the skulls of the government. There was no give. There was no effort on the part of the government at all to look to legitimate grievances and suggestions being made by public housing tenants.

They said to our committee, "If we can get an equitable rent scale, then we'll be quite happy to get out of rent review." They said in March at a press conference that was held in Ottawa and then repeated, I believe in Windsor and Toronto: "If we can get the government to negotiate an equitable rent scale, then we will be quite happy to be removed from rent review."

I want to say to the minister that our caucus has thought about this carefully and we have decided that it is not good enough simply to reverse the position that was taken in full knowledge of the situation that was being created last December. We believe that it is about time the government began to treat tenants as people and not as a bunch

of pawns to be moved around in a paternalistic fashion. That's the way in which it has dealt with public housing tenants in the past.

There have been proposals put forward by the tenant associations. We welcome the kind of initiative that they have taken. We dislike intensely the way in which the government has sought to frustrate that group, sought to put them down, sought to ignore them, and sought at times even to break up their particular organization. We feel that the tenants' legitimate desire to negotiate an equitable rent scale should be respected. If that is done, we feel that then is the time to talk about removing OHC tenants from rent review.

[3:45]

I also want to say that over the last year or so I've had a number of discussions with public housing tenants about some of the things that frustrate them. It perhaps is not completely germane to this particular debate, which is a debate about rent review, but there is no question that the management of the Ontario Housing Corp. is simply a model of the private sector. There is no difference at all. If anything, it's worse—more paternalistic. There was a certain respect in the private sector for tenants, which doesn't exist in the OHC.

We believe that it should be possible for public housing in this province to be a model to the private sector. We believe that if the government is trying to encourage people, trying to respect their dignity, if it is—among other things—trying to save administrative costs, then it involves people in the management, both at the management board and project management level, and also on the boards of housing authorities and on the board of the Ontario Housing Corp. itself.

This lunchtime I had a brief chat with Twyla Hendry. She is, I think, the one woman on the board of the Ontario Housing Corp. I didn't get around to asking her, but perhaps the minister will explain to me: How is it that, with 70,000 tenants in Ontario Housing across the province, not one tenant is considered good enough by this government to be appointed to the administrative board of the Ontario Housing Corp.?

I could go on and chronicle these items in the Housing estimates—and I won't do them here. The tenants in public housing across the province are frustrated beyond belief by the fact that there are records of themselves, records in particular, financial records of the projects where they live, or the communities where they live. These are distributed freely to the municipalities, to the housing authorities, to Central Mortgage and Housing Corp.

and, of course, to the Ministry of Housing. But can the tenants find out what the situation is? Can the opposition find out what the situation is? Can the clerks find out what the situation is? Not on your nelly! It is a model of the private sector. Those accounts are guarded as though they were on tablets of stone and there is no way in which tenants in particular can have a reasonable, informed discussion about the financial status of the houses or apartments in which they live, because the information is simply not accessible to them.

Mr. Speaker, I would like to say to the minister as well, that if we had commitments from the government that it is prepared to bring tenants into management, at the project level, at the housing authority level and at the OHC level, and in order to give them—

Mr. Speaker: I must remind the hon. member that is not a part of the principle of this bill.

Mr. Cassidy: No, I am being fairly brief for me, Mr. Speaker. If we had those commitments, if we had an acceptance by the government that the books of OHC would be open to tenants, so that where they had a need to know they would gain that access—access which they can only gain now through rent review—and if there was now in being an equitable rent scale, then we would be prepared to see OHC tenants come out from under rent review. But none of those conditions have been fulfilled.

Nothing has changed since last Dec. 18, when this particular bill had passed. Nothing has changed at all. There has been no indication that the government even understands what it is that's moving the tenants at all. There is no indication that the government understands the motivations that led the tenants to ask for inclusion under rent review when they, too, knew there was a conflict between the rent review principle and some of the principles that would apply on rent geared to income—nothing at all. The government has learned nothing and forgotten nothing, I would suggest, Mr. Speaker—not to you but to the minister. It is for that reason that we intend to oppose the government on the principle of this bill.

The bill has half a dozen sections, but as the minister said in his introduction, the other five sections are basically routine. There cannot be that great urgency even about the amendment concerning short leases, because the government in its wisdom moved last January or February to reject that specific amendment when it was suggested to the

then minister responsible for rent review. It was rejected at that time. It was not in accord with the philosophy of the government. I'm glad that this minister has accepted it, but those other five sections can survive and wait for a while if the bill happens to be defeated on second reading.

The major principle contained in the bill is that the government is trying to ask the Legislature to do something that we refused to do back in December, and that's why we're going to oppose it, for the reasons that I've given.

Interjection.

Mr. Cassidy: I want to say, Mr. Speaker, that there is another principle which has crept into the bill which, if anything, we find even more objectionable than the matter of taking OHC tenants out of rent review. To be perfectly frank, the reason that the tenants want to stay in rent review right now is because they don't anticipate getting anything else from the government in terms of renegotiation and an equitable rent scale. If those things happened they would cheerfully see themselves go out of rent review.

The amendment put forward, though, by the government also includes limited-dividend tenants, and for the life of me I don't know what it is that the government is about in suggesting that government-owned housing and limited-dividend tenants should also be excluded from rent review.

I've had some long chats with people in the limited-dividend situation, Mr. Speaker, and I have to tell you that the situation there is deplorable. There is absolutely no protection given to tenants in a limited-dividend situation by the fact that their rent is subject to approval by the government of Canada. The minister sort of falls back in his chair, shrugging his shoulders, sighing and saying, "Oh my God, there are those New Democrats off again." He is liable to get up later in the debate and say that there is duplication between the rent review process and the rent approval process which is carried out by the federal government through CMHC.

The answer is, though, that it ain't so. Under rent review, limited dividend tenants—and there are about 12,000 of them here in Metro alone—have had their first opportunity ever to be involved in the rent-setting process. CMHC's process of rent review simply does not involve tenants. It's so bad that tenants are not informed when the landlord, the developer, goes up to Ottawa to CMHC to apply for a rent increase. It's so bad that the tenants are not even informed when

CMHC grants the rent increase. It's so bad that the tenants are not even informed what is the amount of rent increase that CMHC has granted on that particular building. It is so bad that landlords in this city have been known to be charging illegal rents, rents that have not been approved by CMHC, and when they were caught the response has been simply a shrug of the shoulders, a "Ho-hum" and a pat on the shoulder, and tenants being told to go and get lost.

I understand that Mr. Danson, the Minister of Urban Affairs, has agreed that tenants will be informed in future of what rent increases are legal. That's a tremendous step forward. They do not have access to the books, they do not have a say in management, they will not be informed ahead of time when the rent increase is applied for, they will not be able to see the justification put forward to CMHC, they won't have any part in the process at all, but at least they will be told what the legal rent increase is after it's all over.

The minister comes from the Ottawa area. He probably shares with me some pretty grave misgivings about the way in which the federal government works in a whole number of areas, and I have to say that the CMHC cosiness with developers on limited dividends ought to be one of those areas. There is no reason—no reason, no rationale—that can be put forward for excluding limited-dividend tenants from rent review. In the case of OHC, it's different from the case of limited dividends. They need the protection. They have to have the protection, there is no alternative for protection. There is absolutely no sign that CMHC is prepared to come in with parallel measures that will allow the limited-dividend tenants to come under rent review.

Only by accident did tenants at places like 800 Richmond St., here in Toronto, or Academy Heights, which I think is in Thunder Bay, even learn that they were paying an illegal rent. At 800 Richmond, where the rent was \$105 for a bachelor, the landlord was illegally charging \$125, and he did it for a year. When he was found out, what CMHC did was to approve a rent increase even greater than what he had been charging, a total of 29 per cent, raising the rent to \$138. They did it retroactively to March 1, despite the provisions of the Landlord and Tenant Act that were adopted by this Legislature three or four months ago. In a letter to the tenants, both the CMHC and the landlord didn't bother to mention that tenants had the protection of the Landlord and Ten-

ant Act, or that the decision that they were taking was subject to rent review.

Not only that, but under the rent review Act, for all of its failings, there are serious penalties. A landlord in a 100-suite apartment who charges an illegal rent for a month is theoretically subject to fines that could go up to \$200,000. Now, the courts aren't likely to levy that kind of a fine, but all the same the potential penalties are substantial. When you compare that with limited dividend, on the other hand, the situation is completely different.

CMHC appears to have no power at all to enforce a rent that the landlord must charge, because its only sanction is in the mortgage. If the landlord breaches the mortgage—the minister is nodding—

Hon. Mr. Handleman: It is more than the fine if he has to remortgage.

Mr. Cassidy: He has to remortgage?

Hon. Mr. Handleman: At a higher rate.

Mr. Cassidy: But if the landlord breaches the covenant, CMHC can call the mortgage and the landlord is then forced to go out into the private market to find a mortgage, but—

Hon. Mr. Handleman: He is back into rent review.

Mr. Cassidy: But he goes out into the private market on a building that by that time may be three or four or five or 10 years old and, therefore, where the mortgage that he has to raise is considerably less than the mortgage on a new property of comparable size, and he is free from the obligation to rent to tenants in a certain income bracket.

That means, in other words, that if CMHC tries to get tough with limited-dividend landlords, they can simply thumb their nose at it in today's housing environment and say: "If you don't want us to put up with these tenants on modest incomes, we will evict them all and we will take in people who can pay rents that we will have to charge when we refinance—and here is what our profit picture is going to be."

In a tight housing market there is actually a big incentive, in many cases, for the landlord to thumb his nose at CMHC. The only sanction that CMHC has is to call the mortgage, despite the fact that CMHC—the public—will have put up 95 per cent of the costs on limited-dividend projects. In fact, CMHC will have put up 100 per cent of the disbursements, because the landlord's equity is represented by the time that he spends—his

management time—of putting the project together.

To put it mildly, the protection given to limited-dividend tenants is totally unreliable. This is not an adequate substitute for the protection of rent control. The limited-dividend tenants have asked and asked and asked that they stay under rent review because they do not have protection effectively from the federal government. But they have indicated as well, as have the OHC tenants, that if CMHC comes up with a reasonable alternative, then they will be prepared to go out of rent review.

I want to say that the administrative problems that the minister tried to make such a thing about, in the case of limited dividend in particular, are really pretty picayune. There were 65 limited-dividend buildings across the city. In the case of at least 25 or 30 there are applications outstanding, because the rents are assessed in unison. They are buildings that clearly lend themselves to group hearing.

[4:00]

You are talking, in effect, about an expenditure of time, money and energy—maybe 65 days of a rent review officer's time—to make those hearings if all the buildings went in for rent review. If it costs \$500 a case, we are talking about \$65,000, or \$5 per limited-dividend tenant. Given the failure of the federal government to come up with any effective protection or even knowledge about the situation under which they live, it seems to me that that is a small price indeed and a small burden on the rent review process.

If the minister is telling us that, when he has a quarter of a million applications, his people can't cope with 65 appeals to protect limited-dividend tenants, then I suggest that there's something grossly wrong with the administration of this Act.

I want to say as well that, in the case of the OHC, we are going to have some proposals to make. We think it's possible to allow group hearings in the case of OHC projects and OHC communities. If group hearings are held in the case of OHC—and we are going to propose an amendment to that effect—then even if there is no duplication in the applications submitted on behalf of Ontario Housing, we are talking of a need of perhaps a couple of hundred group hearings across the province to clean up the vast bulk of the applications that are now standing under the OHC.

Once again, because OHC units tend to be in communities of 50, 100 or 200 at a time,

it makes sense to deal with them as a group and they can be dealt with relatively easily on an administrative basis. We would far prefer that the ministry sat down and came to a reasonable negotiation of the rent scale but, if they are not going to do it, then administratively there is no particular problem in keeping them under rent review for the time being, giving them that protection and allowing them that access to the books, which they haven't had before because the government wouldn't give it, and maybe the minister will get around to the rent scales at some future time.

In fact, if the experience of our rent review office in Ottawa is an example, I understand that the ministry has decided that, rather than have group hearings, the hearings on OHC will be held one at a time, which is enormously time-consuming. But, in fact, the tenants in private projects are being told that they cannot have access to the rental information on units other than the one they occupy. If that's the case in private projects, an application of the same rule in OHC would protect the confidentiality of the income and rental information for each unit; therefore, the minister wouldn't even need an amendment from us in order to dispose of the OHC units expeditiously through the rent review process—but, no, that's not his way.

The Minister of Housing (Mr. Rhodes) has been trotting up and down the province, trying to maintain that there's enormous cost connected with keeping rent-geared-to-income housing in the rent review programme. He has been trying to make a scare tactic of this by obscuring the real issues as far as the OHC and his own administration of rent review are concerned.

Mr. Philip: He's scaring the Liberals.

Mr. Cassidy: Mr. Speaker, I want to come finally to a few remarks on the way in which the rent review programme is being administered. This is the first opportunity I have had to raise these problems, and it seems to me that they are sufficiently important that they should be raised now that we have reopened most sections of the bill.

We would have welcomed, incidentally, some amendments that might have permitted an acceleration of some of the administrative problems of rent review. For example, in the case of group hearings, are there ways by which it would be possible to cut down on some of the paperwork in order to make it easier to communicate with the tenants, without all of the secretarial time that is involved? I suspect that those methods are feasible. The

minister has got time-and-motion experts and that kind of thing. That kind of amendment to this bill would have been just as welcome as the other five amendments, which we have already said that we basically support. What's happening instead—maybe it's because this minister is so anxious to get out of rent review—is that the basic provisions of the bill are not being respected.

I want to remind the minister that section 7(1) of the bill says:

The rent review officer may give directions for the conduct and carrying on of proceedings before him. In so doing, he shall adopt the most expeditious method of determining the questions arising before him [He's sure as heck doing that; the section was very carefully drafted to go on to say:] that afford to all parties to the proceedings an adequate opportunity of knowing the issues in the proceedings and of presenting material and making representations on their behalf.

I want to suggest the landlords are basically getting an adequate opportunity to know the issues in the proceedings and to present material and make representations on their behalf. I want to suggest, however, that this ministry and minister are being grossly unfair to tenants in denying them adequate opportunities of knowing the issues in the proceedings and of presenting material and making representations on their behalf.

It is possible for the minister to argue that the rent review officers are not subject to his control. However, I have here a series of information bulletins which come from the Ministry of Consumer and Commercial Relations and they are instructions to the rent review officers as to how to carry out the rent review process. I also have such things as the quote from the minister, in which he said the proceedings had to be streamlined and he intended to see a tightening-up of the hearings, limiting most of them to 15 minutes—a more formal kind of instruction to rent review officers.

I have tried in vain to get hold of the rent review officer's manual and have been told that I can't have access to it. That's been told also to tenants, tenant representatives and other interested—

Hon. Mr. Handleman: And the landlords, too.

Mr. Cassidy: And landlords, too, that's fine. It's significant that the landlords have a 15- or 16-page guide to the cost-revenue form which basically tells them the procedures they must carry out in order to carry an

application through the rent review process. Not only that but when the landlord goes in with this, an applications control officer sits down with the landlord, looks through the form, asks for documentation which may be absent and generally lends a helping hand.

Moreover, if the landlord wishes to talk with the rent review officer, chances are the landlord will be able to get some advice from the rent review officer as well. Almost the only thing he can't do is find out which rent review officer is going to handle his case and cosy up to that particular rent review officer before the hearing is actually heard.

On the other hand, the tenant has nothing. He gets a form 5; he gets a notice of the hearing—the time and date of the hearing—he gets a proxy form and that is all. There is no comparable manual of procedure which is mailed out to tenants in order to tell them what their rights are and what they have the right to do. Many tenants are probably not aware that under the Act they have certain rights of access to the material, certain rights to be represented, certain rights to take somebody with them, and so on and so forth.

Mr. Renwick: There is no guidance to the tenants at all.

Mr. Cassidy: The feeling the tenants are developing—checking around since this bill came down, I'm astonished by the force with which this feeling is held and, I think, legitimately—is that the whole process is increasingly becoming tilted in favour of the landlord.

Let's go back to that section in the bill which says that the rent review officer shall afford to all parties to the proceedings an adequate opportunity of knowing the issues in the proceedings and of presenting material and making representations on their behalf. The landlord submits the cost-revenue form. Clearly he's got a pretty good ability to know what that's all about. He can take it to his accountant. He can seek out an accountant who has developed an expertise in handling rent review cases, and who has seen a number of hearings through and, therefore, can give some pretty professional advice about what to put in the cost-revenue form, and how to do it in a most acceptable way to the rent review process and in the most advantageous way to the landlord. That's what happens on the landlord side.

On the tenant's side, however, he walks into a typical rent review office and says, "I would like to look at the file." The guideline is that that material should be in the hands of the rent review office two weeks

before. Sometimes it isn't available until the Friday before a Monday hearing. That's strike one against the tenant.

Strike two, he looks for a place to sit down and finds himself parked at some secretary's desk with a girl waiting to get back her desk and moving him around and making him feel acutely embarrassed and uncomfortable about getting the information.

Strike three, it may well be that there is—and this has happened on a number of occasions—an officer of these hard-pressed rent review administrations, who is sitting at the side of the tenant looking over his or her shoulder, in order to see what they are taking down, and doing nothing else but surveying, as in an examination, what the tenant is doing.

Strike four, information bulletin I-6 says: "If parties have written authorization in advance of a hearing, the material will be accessible in the presence of a designated staff member." That simply means that he couldn't take it away, as in a reference library. That's fine. The original material that's filed probably has to stay in the rent review office.

However, it goes on to say: "The material will not be sent out nor will any photocopying be allowed by rent review personnel for other than their own use." So, while the landlord has got a full copy of the material, the tenant has had to sit down and laboriously copy it all out by hand. I think the member for Riverdale (Mr. Renwick) might have some comments on the natural justice involved when one party to a hearing can take the material in its original form to his accountant or somebody who is expert in these matters and the other party to the hearing, that is, the tenant, has to copy it out by hand.

He may make mistakes or, being unfamiliar with the matter, may not know what it is he should look for. He is subject to continual harassment from rent review personnel and has to take time off work, which may be costing him or her money in terms of lost wages, in order to get that information down. Is that really an adequate opportunity of knowing the issues and the proceedings and of presenting material and making representations?

Then we come to the hearing. In certain cases, it has taken tenants' representatives up to 2½ days to copy out by hand this material, because the ministry will not make photocopying facilities available at reasonable cost or for free, when tenants have a legitimate need to get the information in the file in which they have an interest.

Mr. S. Smith: Has this any relation to the bill?

Mr. Cassidy: Yes, it does.

Mr. S. Smith: It is out of order.

Mr. Cassidy: The anti-tenant leader of the Liberal Party is butting in again.

Mr. Speaker: Order, please, the Speaker was just checking the bill and cannot find that your comments apply to the principle. I would be guided by what you find in the bill, but certainly I think you should return to the principle as it's printed.

Mr. Cassidy: Mr. Speaker, we are now talking about the hearings that are heard under this. If you want me to spend a couple of minutes and refer specifically to hearings which are under the proposed subsection 2(a) of section 5, I will be happy to. But I am sure that you would agree that if I didn't go on for too much longer, these comments would be considered to be relevant to the bill.

When it gets to the hearing itself, the rent review officer may have had a chance to review the material beforehand and has a copy in front of him—the copy that's been filed. The landlord who submitted the material has a copy of his cost-revenue statement in front of him. Unless the tenant was able to spend time beforehand copying the material out by hand, he doesn't have the material to follow the case.

The rent review officer says to the landlord: "It says here that your heating bill went up to \$650. Isn't that a bit high?" But he doesn't tell the tenant whether it's up from \$500 to \$650 or from \$350 to \$650. The tenant literally, does not have any kind of access to the material unless he went in and copied it out by hand. I think that there are important legal questions that are involved here.

Mr. S. Smith: It is a pity they are not referred to in the bill. It has nothing to do with it.

Mr. Cassidy: The rent review officer process is not reviewed at the appeal level.

Mr. Speaker: Order, please. The comments that the hon. member is raising are not referred to in this particular bill, and I would ask him to return to the principle of the bill.

Mr. Cassidy: Mr. Speaker, if you wish me to relate it to the bill, I thought that I was doing that quite adequately. I think it's an

important enough matter; I thought it ought to be raised.

[4:15]

Mr. S. Smith: Self-praise is very weak indeed.

Mr. Cassidy: Section 5 is referred to in the bill and in committee stage I intend to propose a couple of amendments which would have the effect of trying to right some of these really serious administrative weaknesses which have cropped up in the bill. They are not just administrative weaknesses but are also a flouting of the will of the Legislature in the way in which the government is administering rent review.

Mr. Speaker: Order, please. Those points can be dealt with in committee. Let's return to the principle of the bill.

Mr. Cassidy: I'm talking about principle at this point, Mr. Speaker, and I think maybe some other members of my caucus will want to do that as well. I think, if you wish, we can go on at some length about these matters. Since the leader of the Liberal Party is here I think it is important to talk to him about these matters as well because, clearly, he does not have an understanding of tenant issues. He does not have an understanding of the importance of making changes.

Mr. Speaker: Order, please. Let's return to the principle of the bill.

Mr. S. Smith: Don't threaten us, Cassidy. We have heard enough of it.

Mr. Good: Use your head instead of your mouth.

Mr. S. Smith: God, what a juvenile!

Mr. Cassidy: Mr. Speaker, I wanted to make some comments—I actually do want to talk about one or two other things related to the bill. I wanted to make a couple of other comments, though, if I can just find my notes here, in relation to the bill itself. I admit I was straying but, as I say, I think they were serious matters and if the leader of the Liberal Party doesn't think they are serious, he had better go out and tell the tenants in the next election that he doesn't—

Mr. Speaker: Order, please. The hon. member will debate the principle of the bill.

Mr. S. Smith: Carry on as an adult. Address yourself to the principle of the bill.

Mr. Cassidy: Why don't you address yourself to the principle of the bill?

Mr. S. Smith: If you sit down, I will.

Mr. Cassidy: The principle of the bill is protecting tenants, for Christ's sake.

Mr. Speaker: Order.

Mr. S. Smith: For whose sake? Would you kindly withdraw that remark?

Mr. Speaker: Order, please.

Mr. Cassidy: All right; whatever deity you wish to invoke. There are a couple of other points I want to raise here.

We welcome the fact that the short-lease situation will now be definitely cured. We're sorry the ministry couldn't have done that last January when this matter came up before. We will be proposing an amendment in relation to splitting up the limited-dividend question and the OHC question so they can be dealt with separately. If the Liberal Party is not prepared to go along with keeping OHC tenants in the bill, I do hope its members are prepared to continue with the question of rent review for limited-dividend tenants.

I intend to propose amendments in order to ensure that the decisions of the rent review officers are public, whether or not the hearings are public and in order to ensure that tenants do have adequate access to the material along the lines I was just talking about, that is, the right to photocopy at no cost or at a reasonable cost. There is a real problem with natural justice there. At committee stage we will have some more comments to make about the administration of the bill.

Mr. S. Smith: If I might, as a matter of novelty, address myself to the principle of the bill presently before us—

Mr. Makarchuk: It's a novelty for him to be in the House.

Mr. S. Smith: —that has to be quite a shock, I'm sure, to the members sitting here to my right, with their various labels. I will try to keep the remarks relatively brief.

We have a few comments to make with regard to the aspects of the bill under section 5. Under section 5 are the only elements in this bill which we consider to be particularly contentious. We can certainly accept the rest of the bill but we have several reservations about many of the matters introduced and touched on in section 5.

We feel it best to consider two problems brought up in the bill, namely, those rental accommodations where rent is geared to income on the one hand and those where rent

is not geared to income. We feel there are two separate principles involved here.

In the first place, we would like to address ourselves to those in the rent-geared-to-income situation. Under these circumstances, when there is already a provision for rent-geared-to-income, we had a number of misgivings about including that under rent control in the first place but we included it there for the following reasons. We felt, on the one hand, that if something of a misfortune befell those individuals who are on pensions and receiving pension supplement, as soon as they got an increase in their supplement a substantial portion of that were to be taken up for the rent and given to another level of government. There seems to be something inherently unjust in that.

We still have that feeling, but we recognize that, as well, there has been—because of this government's ineptitude and because it has put the burden of taxation on the local residents—a number of elderly citizens, probably even an equal number to those who are presently on pension and in rent-geared-to-income housing, who are trying to struggle along to keep their own homes going and to pay the vastly increased burden of taxation which this government has forced upon them. Under these circumstances, it really becomes a question of whether or not it's fair to protect one group of persons who've been getting a slight increase in their pensions and, in fact, put a tax burden on another group of pensioners who are attempting to keep things going in their own small home, however modest it might be.

Under these circumstances, we feel that a certain element of fairness would indicate that it's not unreasonable to have rent-geared-to-income people have their rentals go up as their income goes up. There is also an element of fairness in as much as there are people who are not in these homes right now who might, I think, be well served to obtain access to these, and yet one wonders whether it's fair to the people who are not in these homes that people whose incomes have gone up substantially should be able to receive the protection of rent control in addition to the already great subsidy that they are receiving.

We are willing to think that one over, and what's really tipping our particular point of view here has been the way in which it has been put into practice. We note that in the rent-geared-to-income homes the OHC has embarked upon a practice whereby when someone's income goes up it takes that case to the rent review officer. When they go to the rent review officer they point out the increased costs to the heating and so on

which have occurred, and use the rent review process as a way of increasing the rent.

Basically what this means is that they're getting around the whole idea of the rent control provision anyhow, with regard to rent-geared-to-income housing. It's easy to show the increase in costs, because naturally costs have gone up—we all know that—and so it's simply an extremely expensive way and an extremely bureaucratic way of getting around the rent review provisions anyhow. Since that is happening and since that seems to be very easy for them to do—

Mr. Cassidy: You are going to abandon the OHC tenants.

Mr. S. Smith: —it seems to me that what we have to do is recognize that rent geared to income is a situation where one can legitimately say it is possible for one to make a fair and reasonable statement that when your income goes up, if you are already being subsidized, rather than expecting the public to subsidize you even more, given the difficulties, everyone has nowadays, it's not unreasonable that the rent should go up a certain fraction. We, however, have a concern which we expressed at the time, which I take it from the rambling remarks of the member for Ottawa Centre, is also shared by the other party, and that is, we have a concern that the actual rate should be renegotiated in these homes.

It is not our practice in general to stand up as blackmailers and to say that we're going to use this bill as a lever to get something else. We're willing to take each piece of legislation on its merits and we're quite prepared, in fact, to leave this matter to the people of Ontario, who will soon have an opportunity to decide—

Mr. Cassidy: We'll tell the OHC tenants where you stand.

Mr. Speaker: Order please. The hon. member for Hamilton West has the floor.

Mr. S. Smith: —whether or not they wish to keep this particular government in power.

If, in fact, the people of Ontario feel that people who are already being subsidized in their homes while others are struggling to keep body and soul together in a small house in north Toronto deserve even greater subsidies and protection despite the bureaucratic costs, despite the thousands of dollars per week in bureaucratic costs, they can make that particular decision.

Mr. Cassidy: That makes two parties which are indulging in welfare. Boy, oh boy. They will read this with great interest.

Mr. S. Smith: The fact is, given the fact that the Anti-Inflation Board exists anyhow—and unlike the radicals to the right here we, in fact, support the idea of an Anti-Inflation Board—given that fact, we know that people's incomes are limited basically to eight per cent increases anyhow, by and large, and so we're really not talking about any fantastic gouging that's likely to take place, because incomes are simply not going up that much. In the odd case where incomes have gone up exceptionally and are going up much more than this, then it's only reasonable that, since the law isn't being effective anyway and is being circumvented by expensive bureaucracy, it's only reasonable that it be changed.

Interjection.

Mr. S. Smith: We've had some presentations from the representatives of the people, the elected representatives of the people in Toronto and area, who have pointed out to us that they now undergo bureaucratic costs of something like \$7,000 a week in trying to go to the rent review officers over and over again about these matters. So we have the feeling that to have this kind of bureaucracy, where OHC is hiring lawyers and going to rent review officers and where Metro is doing the same, we're willing to accept the proposal with regard to geared-to-income housing. However, we have very grave reservations when it comes to non-geared-to-income housing. Here we do not understand why the minister has decided to include such a contentious provision in this particular bill. We certainly intend to bring in an amendment, or a series of amendments, to try to remove the non-geared-to-income housing from this particular bill. I hope you would give serious consideration to this.

The fact is there are a number of instances, directly or indirectly referred to in the bill, which are non-geared-to-income housing. In the first place you have limited-dividend housing run by municipalities, particularly in Toronto and area.

It is an interesting situation, mind you, because frequently we hear complaints and we receive many delegations of tenants complaining that the people who are on limited-dividend, municipally-run housing are actually getting lower rents and a better deal than the ones in rent-geared-to-income units. That's one of the contentious issues that arises and is hard to deal with. Of course the limited-dividend housing frequently goes way back to a very early mortgage with a very low rate, and consequently the rents have stayed very low.

We feel that people who are in limited-dividend housing ought to have the protection of rent control. It's all very well for the minister to imply that since they are already under some form of regulation that's tantamount to protection. But frankly, I must say I don't have the same faith, either in the federal government or the provincial government, about these matters. I feel limited-dividend housing should continue to receive the protection that's given by the rent review legislation.

Mr. Cassidy: Despite the protection of CMHC, eh?

Mr. S. Smith: I also feel that with regard to the next category of housing, the limited-dividend housing in which CMHC and the private sector are both involved—

Mr. Cassidy: This is a vote of non confidence in CMHC.

Mr. S. Smith: —here we feel the situation is even worse. We feel there are examples, and we've certainly had representations in this regard, we feel there are examples galore in which the tenants have not been given sufficient protection. We're very concerned about the fact that the minister tends to rely entirely on CMHC and its good offices in this regard.

Frankly, I don't rely on CMHC and its good offices. I believe the tenant deserves protection and that if the people who operate limited-dividend housing, in concert with the private sector, wish to have rent increases greater than eight per cent, greater than those described by the Anti-Inflation Board and so forth, they should have to justify this. I just don't think it's fair to exempt them, particularly, from the protection of the larger bill.

We also have some feeling about certain other peculiar circumstances in which the government finds itself owner of homes which are really neither limited-dividend nor geared-to-income situations. An interesting example of this occurred when an air base or an army base or something of this kind was taken over by the government, by the ODC. Immediately the rents were threatened with being increased, rather drastically. There are other individual instances in which the government is homeowner or landlord without being under one of the aforementioned plans.

Under these circumstances, again we feel that if anybody is to have the benefit of rent review legislation, and if the citizens of Ontario generally are to be given that benefit, we don't see why the government should not

be a landlord like every other landlord and basically have to justify what it's doing. In this instance, we don't have the same confidence that the minister seems to have.

[4:30]

There are two other circumstances, both of which are mentioned specifically under section 5(1)(aa); they are educational and religious institutions. We are little concerned with regard to the educational institutions, because we have a feeling that to some extent this may just be used by the government as a way of introducing drastic increases in the cost of housing for the students of this province; therefore, we are a little reluctant to see this come out of rent review. We might go along with it if we could have some sort of personal assurance from the government that this isn't going to lead to an overwhelming drastic increase in the cost to the students, so that more and more students will be forced upon the government for loans—

Mr. Cassidy: Why don't you just say no?

Mr. Speaker: Order.

Mr. Cassidy: Why don't you just say no, instead of looking for feeble personal assurances?

Mr. Speaker: Order, please.

Mr. Ruston: You've got your home on the island, Mike.

Mr. S. Smith: Really, Mr. Speaker, I wish you would let him continue, because he is a good example of the reason why that party will always be in opposition and will never be the government.

Mr. Ruston: You've got a subsidized home on the island, Mike.

Mr. S. Smith: The other matter has to do with religious institutions. Certainly I don't wish to raise any particularly contentious issue here or be taken in the wrong way, but I hope that our reading of this particular clause corresponds with the intention of the government, that if a religious institution should happen to make investments in residential property from the point of view of commercial gain, and even if that particular gain were then to be used for religious purposes, that nonetheless the tenants in a building that happens to be owned by some given religious institution should receive the same protection that other tenants in Ontario receive.

Mr. Cassidy: That is a theological assumption, Mr. Speaker.

Mr. S. Smith: It is particularly important that we also guard against the possibility that a group of unscrupulous businessmen may incorporate themselves into a church of some kind just for the purpose of getting this particular exemption.

Ms. Gigantes: Only a Liberal.

Mr. Cassidy: Only a Liberal.

Mr. S. Smith: John Brown actually had some good ideas that you might look at, and he is not a Liberal.

Mr. Ruston: What about Lewis and the Browndale group?

Mr. Singer: Non-profit!

Mr. Ruston: Non-profit!

Mr. Cassidy: That is called being a Liberal with a grudge.

Mr. S. Smith: Knowing very well from examples of previous NDP members, knowing very well what can happen with non-profit and so-called public service institutions, I think we have some reason to be a little concerned. So if the minister and his staff are satisfied that that loophole or that potential for commercial exploitation by a given religious group is really not part of that, then of course we will have no objection to passing that particular section.

In summary then, what I wish to say is this: We have lived with this bill for some time. The amendments with regard to rent geared to income, even though basically it is something we voted against in the first place—

Mr. Cassidy: Another Liberal flip-flop. Reverse again.

Mr. S. Smith: we feel that with the passage of time we are seeing the enormous bureaucratic costs that have been involved in applying the law as it stands—

Mr. Cassidy: Three steps forward and three steps back.

Mr. Ruston: How's the subsidized house, Mike?

Mr. S. Smith: —knowing, in fact, that the law has been circumvented in principle by OHC anyway, and knowing that, because of the AIB, it means there are very few people we are really talking about here, it seems reasonable to me that although we express our concerns, we can accept a change in the rent-geared-to-income situation.

Mr. Cassidy: You can accept a change in anything, you know.

Mr. Bullbrook: That is right. We can.

Mr. S. Smith: We do not, however, wish to accept the situation where rent is not geared to income.

Interjection.

Mr. Cassidy: Your principles are very elastic.

Mr. S. Smith: We will be proposing an amendment that will change the nature of section 5(1)(ab) to create a situation where only the rent-geared-to-income people will be exempted from rent control and, with the exception of educational and religious institutions, given the proviso I mentioned, any other governmentally owned or operated housing, will have to continue to justify their increases before rent review boards.

Interjection.

Mr. S. Smith: When this goes into committee, I hope we will have some time to give proper consideration to it. We in our party have scheduled a number of groups that wish to bring representations before us and we hope that we will be given some opportunity to listen to some of these people before having to consider the matter in committee, but it is up to the government to bring it forward.

Mr. Cassidy: Will you agree to put it in a standing committee?

Mr. S. Smith: That concludes my comments, Mr. Speaker, and I hope that the minister will see fit to accept our amendments, if he possibly can, so that the matter can proceed and the substance of the Act can be incorporated into law.

Mr. McClellan: Mr. Speaker, I want to give just a few brief comments on the principle of the bill. I want to raise the question of what problem it is that the rent review legislation addresses. I think there's a profound difference between ourselves and the other two parties with respect to the question that we're addressing. For us, we're not just addressing some temporary failure of the market to provide housing at equitable rates. If I can recall the phrase of one of the Liberal speakers in the debate last session, he referred to the bill as a temporary aberration. That characterizes, I think, the attitude of the other two parties toward the bill.

But for us, the issue is somewhat different. It involves the social relationship between

landlords and tenants. It is seen by us as a way of redressing a social imbalance between landlords and tenants, through the introduction of a neutral third party who is then able to intervene and strengthen the right of tenants in relation to landlords. That is why the measure has such importance to us—not in isolation, but together with the Landlord and Tenant Act amendments of last fall. They did serve together to redress the balance of power, in a sense, between landlords and tenants in this province, particularly in the private sector.

But now the amendments in this bill remove from public sector housing those benefits conferred last fall. They will deny that protection. It should be understood very clearly that despite the fact Ontario Housing is public housing, the tenants are in the same invidious relationship with their public corporate landlord as is any private tenant in relation to his private corporate landlord. The power relationship in some respects is worse. Our concern is that that relationship be redressed.

Rent review is not the only way; there are other ways. The previous speaker has suggested that a renegotiated rent scale is one way of dealing with the same issue. Tenant participation in housing authorities, and indeed in the management of their own housing accommodation, is one way of addressing this problem. An open-book policy on the part of the Ontario Housing Corp. is another way of redressing the imbalance. But until those other changes are made we are not prepared to withdraw the only protection that public housing tenants have—the protection of the Residential Premises Rent Review Act.

The other matter I want to address very briefly is the question of limited dividends. It is beyond comprehension how the minister can propose the removal of, particularly, CMHC limited dividends from the Act.

I want to give the House a little bit of detail about a CMHC project in my own riding, which the members may have read about in the *Toronto Star*—800 Richmond. It is a relatively new building; it is about four years at most since the first tenants moved into this building. The landlord began charging an illegal rent about a year ago—an illegal rent in terms of the CMHC contract. His increase over the CMHC authorized scale was at least nine per cent. The tenants did not discover that the landlord was charging them an illegal rent until, incredible as it may seem, until this year.

Finally, spurred by the publicity about rent review, they approached CMHC, obtained a

copy of the authorized scale and discovered that the landlord had been charging them illegal rents for over a year. They then asserted their rights under the Residential Premises Rent Review Act and under the CMHC contract as they interpreted it, and began to pay the landlord what was his due under the CMHC contract. They were prepared to pay an increase, if and when the provisions of the residential rent review legislation were complied with by the landlord.

But they never were complied with by the landlord. In fact, he dragged the tenants into court to obtain eviction orders against them and these evictions are in the process of being fought out in the courts. Then the tenants of 800 Richmond approached CMHC and CMHC's response was to grant the landlord a retroactive increase of 28 per cent without allowing the tenants even a glimmer of access or information about the process by which CMHC concluded that a rent increase in the order of 28 per cent was justified.

CMHC has refused even to meet with the tenants to discuss their problem at 800 Richmond. The tenants are still facing in the courts the process of eviction because they were so deluded that they thought they were going to be protected by the government of Ontario from an arbitrary landlord and from an irresponsible federal agency, an agency which has consistently refused to enforce its own contracts with landlords. That is the consistent pattern right across this province and the minister ought to be aware that Central Mortgage and Housing Corp. by its record as recently as March of this year is simply refusing to protect tenants in CMHC-financed buildings from illegal violations of its own contract by landlords. The minister has no basis, no justification whatsoever, for removing the protection of the rent review legislation from CMHC limited-dividend tenants.

The building at 800 Richmond which is, as I said, very new, is rapidly turning into a slum. The garage leaks, the elevators don't work, there's no snow removal, there's one superintendent for two highrise buildings, the plumbing is rusted already after three years. I could go on and on. There are holes in the walls, there are cockroaches, the windows aren't clean. This is a three-year-old building. I mention these things simply to illustrate to you the irresponsibility of CMHC.

I urge you not to proceed. I suppose I urge in vain that the members of the third party show some consistency and some restraint in their impulse to adopt every posi-

tion known to man. They flip-flop more than Sharky the Seal.

Mr. Kerrio: You're there by mistake. Don't gloat about it.

Interjections.

Mr. McClellan: At any rate, you make so many mistakes.

Mr. Riddell: You are an overnight guest. The trouble is, if you get defeated you will go back teaching high school and that will be disastrous.

Mr. McClellan: That basically concludes the remarks that I wanted to make.

Interjections.

Hon. Mr. Meen: The next election will be over there.

Mr. McClellan: I just repeat again that the question of principle is a question of relationships between landlords and tenants in this province and until the government is prepared to address itself to that problem, we are not prepared to accept these amendments. [4:45]

Mr. Reed: Mr. Speaker, at the outset, I would just like to reassure the member for Ottawa Centre that there has been no occasion upon which we have been in bed with the Tories. If he will recall, during the winter, in one of the songs which I have occasion to write, I alluded to the dangers of sleeping with sharks. So, we will—

Mr. Breaugh: I never tried it—what's it like?

Mr. Reed: —continue to maintain that position and he can rest easy.

The principle of this bill is good house-keeping, and one hopes that after a good, detailed debate we will all be able to give it our seal of approval. There are a couple of items to which my leader made reference, and I should like to state them in my own words, if I may.

The first is in reference to section 5, which is listed as (aa), and it is one of the first contentious parts of this bill that I can find. It appears at first look that the clause simply exempts church homes and student housing and so on. We would like to state it is our understanding that that is the actual intent of the clause, and that it doesn't go beyond that. I should say we are concerned it might be possible—and we would like reassurance—for a non-profit organization which does not carry the high purpose or intent of the churches, or

charitable organizations to which we relate, to possibly take advantage of this clause. I think it is important to have that reassurance.

One other part of the bill is quite a contentious issue, I believe. We have to divide this statement into two parts. It is of concern that the first part of this clause does not include a statement referring to those people on rent geared to income. Since this kind of housing includes many people in this category, it would appear that this clause as it stands would remove rent-geared-to-income people from the rent review umbrella.

The second part deals with limited-dividend housing.

Mr. Cassidy: That's what your party is supporting. Your party wants OHC tenants taken away.

Mr. Speaker: Order, please.

Mr. Cassidy: The Liberal Party is split again, Mr. Speaker.

Mr. Reed: It is our feeling that this kind of housing should continue under the protection of rent review, since the privately owned portion of limited-dividend housing raises concern that it is difficult to arrive at true costs, which in turn determine rents charged under this system.

For instance, where a private owner has a mixed development, how can maintenance or landscaping costs be fairly assigned—or, for that matter, checked? I would also state briefly that we would also question the effectiveness of CMHC recommendations regarding rents. Does it have the power to enforce the recommendations and do the landlords pay any attention to CMHC?

Mr. Speaker: Does any other hon. member wish to take part in this debate. The hon. member for Riverdale?

Mr. Renwick: No, I don't want to take part.

Mr. Speaker: The hon. member for Peterborough.

Ms. Sandeman: Thank you, Mr. Speaker.

Mr. Singer: That's an improvement.

Mr. Swart: From that caucus to this—that's an improvement.

Interjections.

Ms. Sandeman: I understand that one of the major principles of the amendments to the bill, which are now before us, continues to be that rent review legislation was introduced to protect tenants from unconscionably large rent increases. It seems to be the belief

of the government that by exempting, for instance people who live in CMHC buildings under limited-dividend arrangements, it is only exempting people who already have protection from extremely high rent increases. I cannot believe that is so.

If I may give one example to illustrate what I mean, I would like to draw members' attention to a set of buildings in Peterborough which are under CMHC financing and which have had extremely high and frequent rent increases. One of these buildings is let exclusively to senior citizens. The upper income limit is \$6,000 but, of course, for many of the tenants their only income is the GAINS payment which gives them very little more than \$3,000 a year. When this building was first advertised last spring—a year ago from now—the rent was to be \$117 for a senior citizen's one-bedroom unit, which sounded very reasonable for senior citizens getting the GAINS payment which was then around \$240 a month. There was great joy in the city of Peterborough that finally we were going to have apartments available for senior citizens to supplement our very few OHC senior citizens apartments.

Many people went onto the waiting list for that building. Before they even moved in, they were told there had been an error in the calculations of mortgage and carrying costs, and so on, and that the true rent would be \$126, which they were a little dismayed about but still willing to pay. People began to move into those buildings last spring, through May and June, and the rent was set at \$126. They received notice last summer that the rent was to increase on Dec. 1, 1975, to \$147, a fairly high percentage increase.

They received another notice in January of this year that the rent was to increase in June, 1976, to \$167 and their only lifeline at that point was the rent control legislation introduced by this Legislature last December. Their relief was enormous. They felt the Ontario government understood quite clearly that the fact they were in CMHC buildings did not protect them and there seemed to be no proper control of the rents being charged to people in those buildings. It was beyond their belief that the costs of a new building could have escalated by that enormous percentage in just a few months. They have been awaiting, with some trepidation but some relief also, the rent review hearings scheduled on their behalf.

I cannot imagine what their feelings will be when they realize what the intent of this amendment to the bill is. I think they will feel betrayed by the government which they

thought had understood their need and was prepared to protect them.

The ramifications of what will happen to these people if the amendment goes through and their rents are raised to \$167 a month are frightening. If, as it is for many of them, their total income is \$265 a month under the GAINS payment, they will have left a disposable income of about \$100 a month for everything.

Many of them have already done the calculations and realize they cannot live on that so they look at what else is available in the city of Peterborough. They look at the OHC buildings and they discover that those are full and that there are waiting lists. They are caught in the untenable position of not being able to afford to pay the rent in buildings which they moved into in good faith, believing they had protection in a limited-dividend building and now find they will probably not be able to afford to stay in; or the other alternative, which is to give their notice and have nowhere they can afford to go.

We've had some pretty frightening feedback from people who know the tenants of that building, and I know many of them well. A doctor who has an office in the ground floor commercial area of the building said to me, and not entirely as a joke: "I find it upsetting to spend a lot of time picking old ladies up off the floor of this apartment."

The reason he was picking a lot of old ladies up off the floor was that they were upset and distraught about the rent increases. They came to see that the rent review officer would hear their case, would carefully consider the large increases that they were being asked for, and they believed that some relief would be given to them by the rent review officer, courtesy of the Legislature of Ontario. I'm afraid that doctor is going to have some very trying times over the next few weeks if this amendment to this bill is allowed to go through.

I really urge the government not to remove the only protection that tenants such as these have from frequent large and untenable, unbearable rent increases which the federal government, through CMHC, does not seem to be able to handle. The CMHC rules, as previous speakers have said, do not seem to consider the real need of the people. There is no protection at all left to these people if we remove from the legislation the limited-dividend buildings. I urge the minister to look at the principle of the original bill, which I understood was to

provide protection for tenants in Ontario from untenable and large rent increases, and consider what he may be doing to the tenants of limited-dividend buildings.

Mr. Riddell: Mr. Speaker, I'm going to be very brief, as brevity is one of my virtues.

Hon. Mr. Handleman: Any others? What are the others?

Mr. Ruston: Hear that, Mike?

Mr. Riddell: Clause (ab) of section 5, subsection 1, would exclude any building or project owned, operated or administered by or on behalf of the government of Canada or Ontario. I'm wondering if the minister realizes that in the great riding of Huron-Middlesex there is a place known as Huron Park, which was purchased by the government at the time the old air base was phased out. The housing there is owned by the Ontario government. This is not rent-geared-to-income housing, so really if all government housing was excluded from rent control then the government would be able to raise the rents to these tenants living in Huron Park who were attracted there to live and to work in industry which was also attracted to that particular area to make use of the existing buildings which at one time belonged to the Canadian government as part of a Canadian Forces air base.

Mr. Breithaupt: Some of them used to work at the hospital.

Mr. Riddell: That's right. It's rather interesting; the management out there endeavoured to raise the rent, and I had a petition presented to me, signed by 85 per cent of the tenants. They insisted I have a meeting with the Minister of Industry and Tourism (Mr. Bennett) to indicate to him that all wasn't well out at the industrial park there in Huron county.

They hummed and hawed in the ministry and finally got back to me and said: "Well, if it will put their minds at ease we will reduce the rent increase to eight per cent." I got back to the tenants and I said: "It would appear that the ministry isn't particularly fussy about meeting with you people, and they are prepared to reduce that rent increase by eight per cent. If you still have some dissatisfaction with management out there we should still go ahead and endeavour to meet the minister."

[5:00]

I haven't heard from them again as yet so it would appear they are somewhat satisfied

that the rent increase has been reduced to eight per cent. The fact of the matter is they endeavoured to raise the rent considerably more than that and when they found it wasn't meeting with the approval of the tenants out there they brought it back to the eight per cent.

If this type of situation is excluded, as it would be under this particular amendment, the government could simply go ahead and charge whatever it wanted, at its whim and fancy, because it is government-owned housing. The tenants would be compelled to pay that rent increase. I maintain that this type of situation should remain under rent control and only rent-geared-to-income accommodation should be excluded.

Mr. Warner: I wonder if the minister might really come back with the kind of answer which I think we all realize is at the root of this whole amendment; that he is not really concerned about the conflict which he says exists between rent-geared-to-income and rent control. He has been very careful to ensure so far that the lower of the two shall apply. He has not encountered great difficulties and those tenants have been assured that the lower of the two amounts will apply. He has used discretionary powers and if that practice were to continue it could very well be a meaningful one for the tenants.

I suspect that what we are looking at here really is somewhat unnecessary. It may be some political posturing, for what reasons I am not sure. I would like an explanation.

I am not sure that the minister entirely understands the situation that people in Ontario Housing Corp. projects, in rent-geared-to-income situations, are forced into living with. I would like to bring in a bit of history to show why the scale needs to be re-examined.

The plain fact is that public housing rents today take a larger share of people's incomes in real terms than they did, say six years ago. The tenants are quite right to argue that over the same period of time it's become harder and harder for people to get by on modest incomes during an inflationary economy.

Specifically, when the OHC scale took effect in July, 1970, the minimum wage was \$1.30 per hour and the average industrial wage was \$131.55 per week. Today the minimum wage is \$2.65 and the average industrial wage is about \$220. In 1970, a person with a spouse and two children, and who earned the minimum wage, would pay approximately 17.5 per cent of his gross income in rent. Today, the same person earning the minimum wage would pay approximately

24.1 per cent of his gross income to Ontario Housing.

If we take someone earning only half the average industrial wage, with a family, he paid 20.5 per cent of his income in rent to OHC in 1970. Today he pays 24.3 per cent of his income in rent. In effect, OHC has abandoned the idea that the share of income going to rent should be lower for people on low incomes. For people who work the rents in Ontario Housing developments are pretty close to a flat 25 per cent of gross income. Couple that with the fact that many of those people who are earning minimum wages will be in a situation where they must pick up OHIP costs—we have seen a substantial increase in those—and they are left with less disposable income. I bring in the figures from the social planning council of Toronto which indicated that in August, 1974, a family of four needed about \$9,100 to have an adequate living standard in Toronto. Today, the same family needs \$10,500.

When we get right down to it, OHC is not taking any account of the shortfall in living standards of people who are earning less. That is to say, whether they earn \$5,000, \$10,000 or \$15,000 a year, OHC is still charging the same flat 25 per cent of gross income. The minister knows full well that for many of those units the income has gone beyond the recovery cost.

It would have made a great deal of sense, I think, had the government said to us that it could find some compromise solution and would put into legislative terms what appears to be the practice now of allowing the lower of the two amounts—that is rent-geared-to-income or the eight per cent—but that hasn't been done.

Further, I think we need some explanations with respect to the part which says, "situate in a building or project owned or operated by a religious institution for its purposes on a charitable, non-profit basis." All of us realize here that, for the most part, what we are talking about are places for the elderly, whether they be called retirement homes or homes for the aged or whatever names they go under. There are some very serious questions to be asked. If the minister is quite prepared to exempt those institutions, is he also prepared to offset the spiralling costs for elderly people?

Is the minister aware that in this city of Toronto, it will cost an elderly person in the neighbourhood of \$550 to \$650 per month to live in a room with three other individuals.

I make it very clear that I'm not—

Mr. Riddell: Where did you get those figures?

Mr. Warner: Would you like to see?

Mr. Riddell: It costs \$650 a month with three other people sharing the same accommodation?

Mr. Warner: That is correct.

Hon. Mr. Handleman: In a religious institution.

Mr. Warner: Mr. Speaker, to the members of the House who have not done the research that I have, who have not visited the institutions that I have—

Mr. Good: Give us the names.

Mr. Warner: I do not intend to reveal the names now.

Mr. Good: Tell us what home it is.

Mr. Warner: Mr. Speaker, I realize the third party is quite inquisitive as to the research going on. I don't blame them. They should be envious. At some point in the near future, this House will be most enlightened to learn of the practices going on in this city of Toronto and other communities with respect to accommodation provided for elderly people, and the services rendered for the fees charged.

Mr. Cassidy: That's right on.

Mr. Warner: I am not saying anything about the precise care, but I am talking about the prices paid for that care.

Mr. Good: At a charitable institution?

Mr. Warner: Before any member of the third party wishes to make further comments, for which he or she may be embarrassed later, they might do well to check with a member of their own caucus who is as fully aware of the situation as I am and has done more research because of time available to that member over a period of years. The facts are there and they will be fully revealed in due time.

The fact remains that elderly people in this province are faced with heavy financial burdens. My fear—and I would like some comment from the minister—is that he may be taking away the only kind of protection which is possibly available if he exempts the religious institutions. Not because they are doing anything wrong, but because they are reacting to a lack of government subsidies from the Ministry of Community and Social

Services. That, I suspect, is the crux of the problem.

Further, when the minister talks about non-profit educational institutions, has he been provided with accounting statements from the universities and colleges which have residences, which prove beyond a shadow of a doubt that each of the residences is operated separately and individually and can be accounted for individually in an accounting statement? I would appreciate his thoughts on that.

In conclusion, I'm afraid that the government is reacting to a situation which it has created itself over the past few years, particularly as it affects the Ontario Housing Corp., by not offering any alternatives, by not saying that the 70,000 tenants should have a voice in the management of their affairs and by not saying that the scale is incorrect or not truly reflective of need. Rather, the government is simply offering a Band-Aid solution to a far deeper, serious wound in the health of those people who live in Ontario Housing Corp. projects.

I'm disappointed by the legislation. In fact, Mr. Speaker, I say to you and to the minister, that what they are proposing here is rather hollow, because what they are doing in those OHC projects is offering the tenant a rent that is either the eight per cent or the rent-geared-to-income, whichever is lower, and they don't really have a problem at all.

Mr. Bounsall: Mr. Speaker, I'm sure the minister is aware by now that the proposal in the bill which would exclude limited-dividend housing and limited-dividend apartments will not be included in the final form of the bill. Speakers from both opposition parties have indicated clearly that we do not like that inclusion, and that will most certainly be removed in the committee stage on this bill.

Certainly that was one of the things which very much concerned me. I saw no reason at all that persons in limited-dividend accommodation should be excluded from the bill. The landlords of limited-dividend accommodation must indicate and prove that their costs have gone up in order that their increases apply; therefore, they can be very easily subject to this particular bill. In fact, I would be very upset if I thought they were being exempted, because of the stories I've heard about some of the limited-dividend housing that has been financed through CMHC. The feeling there is that CMHC does little, if anything, to really check out the figures provided by the developers and

owners of a limited-dividend apartment unit and that, in fact, it accepts whatever it is told.

It has been brought to my attention by more than one person in Windsor—and I have not been able to tie this point down specifically—that there are some developers who, when the time of the year is approaching that they wish to prove higher costs in order to get an increase in their particular units, simply let units go vacant as they turn up for some three or four months so that the costs are artificially inflated. They can then get their increase based on that cost, even though minor checking occurs on it, and then, of course, they proceed to fill up their units.

[5:15]

That sort of thing must be thoroughly looked into and should not be tolerated at all. The rent review mechanism is yet another handle that we would have upon those developers who are engaging in this sort of quasi-illegal practice in terms of the rents they are charging. There's no justification at all, based on costs to those developers and landlords, for their being exempt from any sort of rent review which we have here in the Province of Ontario.

There's one other point with respect to this. There was an election promise made by the Premier (Mr. Davis) that rebates would be made on rents over 12 per cent for senior citizens living in municipal limited-dividend housing. At the time this rent control bill came in, it was indicated that the reason that promise was no longer appropriate was that they would be covered by rent control. To now propose what the government has done, that these persons be dropped from rent control without reinstituting the election promise that a rebate of rent over a 12 per cent increase would be made—or, in fact, eight per cent—is completely unacceptable to us and completely illegitimate on the government's part. However, it's clear that this will be back in the bill. It will not be taken out, as both opposition parties are in agreement on this. The Liberals are supporting our position on this, that the limited-dividend tenant would remain in the bill.

Again, speaking from the Windsor experience, I've already mentioned the situation that was brought to my attention regarding the limited-dividend apartments and the ways in which rents are artificially inflated there. There are a large number of units which the city of Windsor runs for senior citizens in limited-dividend housing through the Windsor Housing Co. It's been in business for quite some years. It was first started by

Archie Cherniak, carried on by Bill Riggs, and then Bert Weeks was chairman of that particular housing company. Those gentlemen did a fine job over the years as chairmen and their interest in senior citizen housing was profound and detailed, and their feeling for the need superb.

Those Windsor Housing Co. units are limited-dividend, in fact, non-profit. Over the years they have never, as far as I can recall, had to raise their rents at any given period over eight per cent, including the last two or three years. Those units are run in a very conscientious way by the Windsor Housing Co. and they charged only what the costs were on those units. It's very clear that the Windsor Housing Co. does not need rent control in order for its rents to be reasonable. They charge only what it costs them, and it has not been eight per cent.

However, in case the administration might change, or it might occur to someone that this is a good way to help finance the general taxation of Windsor, in no way would I want the Windsor Housing Co. or the municipal senior citizens limited-dividend housing persons removed from this bill. They don't come near the eight per cent anyway, and therefore they can fit quite comfortably in the bill, continuing as they have always, done.

The one other main aspect of the bill is the situation about the OHC rent-geared-to-income tenant. There is no question that we favour the general principle of rent geared to income. We are in favour of many other things being geared to a person's income, including forms of taxation that are geared more to income than forms which are not, such as the sales tax and property tax.

So in principle we would like to see some form of rent-geared-to-income which is working. What we object to—what I object to at least—is the percentage of one's income that is charged by this government on the rent-geared-to-income programme.

I recognize very well that at the time this bill was first introduced, putting rent-geared-to-income tenants under rent control which limited the amount of percentage increase was in one way destroying the principle of rent geared to income.

That made me a bit uneasy at the time. But I was able to support that amendment because when everyone else was in a burst of enthusiasm at seeing some rent control finally coming on, I clearly saw that this large group of tenants in Ontario should be seeing and feeling that same sort of relief coming to it.

There are many family units of OHC housing in Windsor; and it is very discouraging perhaps, in the initial instance, for those people to get that housing because they very desperately needed it since they were on some sort of assistance, and then the family arrangements changed. The man of the house finds himself, or both the man and the woman find themselves in gainful employment with an income which would cause their rents, even two or three years ago, to be well in excess of \$200 a month. With the charge being 25 per cent of gross, their thoughts now turn to being able to get out into the private market and rent in the private market, or else their thoughts mainly turn to purchasing their own home.

They find that with 25 per cent of their gross being taken as their normal rental, there is no way, with their income earnings, that they can effectively save a penny in order to move out and be able to purchase a house. So I see quite clearly that the percentage on rent geared to income is, in fact, too high a percentage to enable most people in it who are making a decent income, or come to make a decent income, to get out and purchase a house.

So as I see it, the minister has to change and renegotiate that rent-geared-to-income scale which he has with his OHC tenants right across Ontario. It's particularly interesting to be in Windsor and know that there are a couple of housing projects just a short distance across the river in Michigan in which I believe the rent geared to income, based on gross, is in one case 17 per cent and in the other case 18 per cent. That is a percentage at which those living there found they could save some money in order to get out, in order to give less fortunate people in need, on very low incomes or on temporarily low incomes, the opportunity to have their rent based on that income rather than renting in the private market which would be considerably higher.

I would say to the minister that we would be agreeable to excluding OHC tenants from rent review only if—and this is an important proviso—we actually see that the minister or some minister has negotiated a new scale with the Federation of Ontario Tenants' Associations on behalf of all those tenants in Ontario Housing Corp. Knowing this government's tendencies, and the ministers who have been in contact over the years with OHC tenants, it is not enough even for them to come in and say, "We will," because that does not indicate to us the final form of the negotiations.

In order for us to agree that OHC tenants should come out from under rent control we would need to see the conclusion of those negotiations. If those negotiations resulted in a changed rent control scale, a changed rent-geared-to-income scale that we felt to be appropriate, we would most certainly say: "Let's get out from under this bureaucratic mess we are in, in a sense, by putting those rent-geared-to-income persons under rent control, with all the applications which will be coming from those persons." But we would need to see that completed scale, and the Federation of Ontario Tenants' Associations scale is certainly one which can be taken as a basis of negotiation with the government.

One of the other major demands of the Federation of Ontario Tenants' Associations, and it's a quite legitimate demand, is that they have representation and a voice at all levels of management of Ontario Housing Corp.; and we would accept, I would think, a government commitment to say, "Yes, by six months from now we will ensure that that would happen." We would accept that commitment for some time in the very near future, but we certainly can't accept the commitment that they will simply go ahead and renegotiate a new scale before we would take it out of rent control. We would want to see quite clearly the results of that negotiation and see that there was some real progress being made in the rent-geared-to-income situation.

On the things which profoundly disturbs the tenants of OHC housing is, again, when they find themselves in some strain and difficulties and need extra cash, or they find themselves in a situation where the family is now at an age where the spouse can go out to work, they find so much of the spouse's income is now entered into on the calculation. That's one other point from the Federation of Ontario Tenants' Associations scale that the minister should take much more into account than he does.

It's all right for the minister to say that the total outlay by Ontario Housing Corp. exceeds its income over the years and therefore it is subsidized. I feel the same way as the Ontario Housing Tenants Association feel about this, that far too much of the money of OHC is spent on administration of those programmes. They could cut out a lot of that administration and a lot of those programmes if they gave the tenants a fair hand in helping to run the units in which they live and the projects in which they live.

None of the ministers over there in this Conservative government seems to realize

that. They seem to have the paternalistic "We'll tell you" attitude to OHC tenants, and it's that which causes such a top heavy administration and escalates the costs far beyond what they should be at the administrative level. Turn some of this administrative work over to the very willing tenants in the OHC projects, who would help with the administration and help cut down the overhead costs and, therefore, lessen the subsidy which this government is required to give year by year to the whole OHC tenant project.

We are certainly, therefore, opposed to section 5, subsection 1(ab) of the bill, which would exclude limited-dividend housing. Until we see quite clearly a renegotiated rent scale and we know the details of that negotiation and the results of that negotiation, OHC tenants must stay in rent review. It's a situation which you're not happy with, we're not happy with and the tenant isn't happy with.

Within a week or two of the bill having been put into effect, I had quite a handful of OHC tenants approach me and say: "Look, my rent has gone up by eight per cent. What do you feel I should do about it?" I was on the horns of a dilemma in advising them what to do, because I felt that, sure, they could complain; sure, they could go through the steps; and sure, they could withhold their rents up to no more than eight per cent; but they stood, upon appeal, to have it reversed and the gearing to the income principle held. So I was on the horns of a dilemma, trying to advise them one way or the other, and I said to them: "If you go ahead, make sure you set up a savings account where you bank the entirety of the difference, where you bank the entirety of the funds which you haven't to pay, so that should the decision go against you all of those moneys will be there to pay up that back difference." I said, "Do not contemplate it unless you do that sort of thing. If you are willing to do that sort of thing, go ahead and I will give you a hand." I realized immediately the bureaucratic problems that this involves. At the same time, I fully appreciated that for many of these persons the 25 per cent of gross with the various other small factors that are taken on to it was indeed far too large a slice, reasonably, to be paid out of these persons' incomes for rent and that some relief must be given.

[5:30]

I say to the minister give them that relief, go in and negotiate in good faith, quickly. We've probably got to have a couple of weeks before we're going to be back to actually voting on this bill, with the proposed

special debates we hear are coming up next week. Go back, and in this couple of weeks period get into meaningful negotiations immediately with the Federation of Ontario Tenants' Associations, bang out an acceptable revised rent scale and come back to this House and tell us that you have now done that and that this is the result. We will then be able to look at that result and see whether that is a satisfactorily large enough step forward so that we could say OHC tenants can come out of rent review.

Why don't you do that? You've got a couple of weeks, so take them. You've had the proposal from them for a long enough time. You must have some thoughts on the matter and therefore you should be able to come to some sort of speedy conclusion on your part.

There are other sections of the bill which do concern me. One is respect to the mobile homes, but we have one of our caucus members intimately concerned with that part of it and, rather than taking up the time of the House, repeating in a perhaps less able way than that member will be the remarks on the mobile home part, I would gladly yield at this point.

Mr. Speaker: Does the hon. member for Waterloo North wish to speak?

Mr. Good: The provisions other than section 5 are not controversial. Excluded from the provision of rent review are residential premises run by religious organizations, universities, accommodation that is rent-geared-to-income, limited-dividend and mobile homes. These are the five classes which would be taken out from under the umbrella of rent review.

I'd like to deal first with the provision which would exclude projects or buildings owned and operated by religious institutions on a charitable or non-profit basis. I have done a little work looking into the rates of the institutions, not only in my area but some in this particular area. I have found that in the case of those in my own riding, the Parkwood Home for Senior Citizens, the Fairview Mennonite Home in Preston, which is not in my riding, the Eventide Home run by the Salvation Army in Kitchener; in each instance the rates in those institutions, which are institutions under the Charitable Institutions Act, are lower than is the rate at our senior citizens home run by the municipality.

Similarly, I have knowledge of another home out in the village of Stouffville which is run by a church group. The rate there is

lower than the rate charged by the public home run by the municipality there.

These institutions invariably have had considerable amounts of capital funds put in by the church or the charitable institution which is the sponsoring body. If the member for Scarborough-Ellesmere (Mr. Warner) is correct in stating that there is a home run by a church group or charitable institution, where the rent is \$550 per person for a month and where three people share a room, then regardless of by whom that is run, I think the exposure of public scrutiny should be brought to bear upon that institution and he should be prepared either not to tar other institutions of that nature with that brush, or else he should name that particular home in the Legislature. I resent very much the implications that there is this type of situation and that it would be prevalent or common to institutions run by churches.

Very recently in my own community the Lutheran Church built 24 senior citizens apartments, and along with CMHC the church itself took a \$250,000 mortgage on the property which it will retire not from rents but from offerings of that congregation. This is the type of thing which is going on all across this province. I am not particularly acquainted with any instance in which a church group or charitable institution is getting profit from residential accommodation which it is turning over for promotion of its own sectarian needs. There may be instances but I am not aware of them and consequently I have no hesitation in supporting that particular section of this bill.

The university question is one which has caused a great deal of concern in my own riding. Half the 21,000 rent review cases in the Kitchener area were from the university. I know they created an administrative problem but I do not think the administrative problem created should be the sole reason for releasing them from rent review. I think it is incumbent on the ministry to assure us that all universities open their books to the students. I know they have in some universities, including in my area, and the whole operating cost of the residence involved has been made known.

I am told that at McMaster University the students agreed to an 11.5 per cent increase after they saw the operating budget of their residence. This was rolled back to eight per cent by the rent review officer. The university, I understand, will lose \$100,000 on the operation of that residence and this will have to be made up, I suppose, out of general revenue or by the taxpayers.

I think it is important in those instances—and I can only speak for my own area where it does occur—that tenants not only in the married student quarters but also in the single-room residence have access to the operating costs at those universities. The other university accommodation which is built on a co-operative basis, of course, was excluded in the original bill.

The next matter is the rent-geared-to-income accommodation. I met, as did others from my caucus, with the Association of Ontario Housing Authorities and there is no doubt that there is almost, I suppose one could say, an administrative nightmare in trying to dovetail two systems of setting rents—that is, rent geared to income and rent geared to costs involved which are then related to a fixed percentage of increase.

I, for one, agree that there is no compatibility between the two methods. It is impossible to try to work the two together—rent geared to income and rent fixed to costs. Surely the housing authorities should not be interested in proving their costs? They are there to supply rental accommodation which is, in fact, geared to the income of that person.

I realize that to get increases when the income of tenants does change, they have had to operate under the rent review legislation and have found it very difficult. In no way do I minimize the problems of people who are living in OHC housing, but taking them out or leaving them in rent review is not the answer to their problems. The problem is much deeper than that. The problem is something about which we have spoken for years in this Legislature, and that is the agreement between the provincial government and the federal government as to how these rents are established.

It is unfortunate that the Minister of Housing (Mr. Rhodes) isn't here for this debate. I think he should be here. It was he who put this original legislation through the House and it is on him that the responsibility for a better deal for these tenants will ultimately rest.

Those are the facts of the case. Perpetuating this mish-mash of administrative problems between rent geared to income and rent raised to expenses is not going to solve the problems of the OHC housing. But I would expect this, Mr. Speaker; that with the experience of the last six months, surely someone in the provincial government, surely someone in the Ministry of Housing and surely the minister himself will realize the importance of doing something to change

the rent scale and to get a better agreement with CMHC and the federal government as it relates to OHC housing and the housing administered by the housing authorities across this province, of which I believe there are about 42.

I could cite some of the examples that the housing authorities gave us in which real inequities exist because of the incompatibility of the two systems. People who should, because of their income, be leaving OHC and going into the public market for their accommodation are staying there because there is no effective means to move them. They are taking up space which could be better used by people with an emergency and who can't get in.

I think this is regrettable, and while the NDP may try to make political marks out of their rejection of this particular exemption, I think in the final analysis the people living in OHC units will have found that should this situation continue they will be worse off than if they were on strictly a rent-geared-to-income basis.

Contrary to what the member for Scarborough-Ellesmere (Mr. Warner) said, I believe my evidence shows that OHC does not use the lesser of the two methods. They use the rent-geared-to-income basis and try to arrive at it in some convoluted manner by using the provisions of the rent review legislation, which is almost impossible. So I think we are doing a disservice to the tenants to perpetuate this administrative nightmare.

The limited-dividend housing I feel should remain under rent review. I supported that last fall; and it was last fall, after hearing the evidence in committee and doing my own research in my own area, that I thought they should. I will tell you why.

In the Kitchener-Waterloo area last summer and fall, increases were given to limited-dividend housing by OHC which brought that housing higher than the then commercial level. There were incidents in several buildings in which those tenants were jumped a considerable amount under those provisions of CMHC and limited dividend so that they were paying more than the going commercial rate.

I think much has been said about the informal way or the lack of precise measure used in establishing those rents under limited-dividend housing. It is, in my view, important that those residential housing units stay under rent review.

The case made by the member for Huron-Middlesex (Mr. Riddell) I think is very im-

portant, and we intend to bring in an amendment which will cover that. Where the government of Canada or the province or any board or emanation of those governments owns housing which is not geared to income, then I think that housing should be under rent review legislation.

The mobile home situation will now bring new mobile home sites under the same provisions as new apartment buildings; that is those that are started after Jan. 1, 1976, will now be under the legislation.

There are a great many other concerns that I suppose one could bring into this legislation. There is the effect that rent review has had on the building of new accommodation, which is an entirely new subject. I hope it is one to which somebody is addressing himself, because if something isn't done soon, we are going to find ourselves in a worse predicament than we were when we brought in rent review legislation.

[5:45]

Mr. Wildman: I feel somewhat like an odd man out here because I'm going to speak mainly about mobile homes and the provision in the legislation which will exempt a mobile home or mobile home site that was not occupied as residential premises before Jan. 1.

Really I don't see what this has to do with the whole thrust of the legislation since the bill deals mostly with non-profit housing and with rent-geared-to-income housing. Our caucus has made very well the arguments against the exemptions in those areas. I think it must be, as the previous speaker suggested, that the government wants to try to encourage the development of mobile home parks and more mobile home sites. If that's the case perhaps, then we might be looking at some way of amending this to make it a little tighter because I'm not certain that from the way 5(1)(d) is worded that it really means that a site or mobile homes that were never occupied before, that is, that they are a new development, are the ones that are being exempted.

What I'm concerned about is mobile home sites in parks that are not new parks that were vacated prior to Jan. 1 and as of Jan. 1, therefore, were not being used for residential premises and then someone else moves on to the site. In this case they would not be subject to rent review and they should be. I think it's very difficult to compare a mobile home park to an apartment building because if you're going to exempt mobile home sites in older parks, if that's what this

means, then it's like exempting apartments that are vacant in old apartment buildings.

If that's not the thrust of it and if that's not the reason for the exemption, if it is simply to try to encourage new development, then perhaps there's some way it could be shown in the bill that this is only for homes or sites that are new and not ones that have simply been vacated as of a certain date.

Mobile home owners had no protection until last fall. The rent review legislation in the Landlord and Tenant Act amendment provided them with protection that they never had before. But prior to that, they were very vulnerable. They were subject to a large number of abuses by some landlords. Other landlords, of course, did not treat their tenants this way. They were subject to arbitrary eviction and arbitrary rent increases with no warning. They could be forced to move off the site without any warning and at great expense. In some cases they had to sell their homes back to the landlord who was also a dealer and so on.

For the first time, these tenants are now subject to the same provisions of the Act as is every other tenant in the province, and it would be a shame if this exemption would weaken that protection. If this really means only new development, then why can't it specify new development and say that right out? Any exemption for new development should cover a whole park. They must cover all new development as new development, meaning new park.

I don't know exactly how you would do it, if you were dealing with expansion of parks and just some new sites in old parks, but perhaps you could do that. If it's done in such a way that it might be interpreted to mean that vacant sites existing in older parks are exempt, then I'll tell you, even if that's not the purpose of the legislation, that is what will happen in most parks because these tenants have been so vulnerable for so long that they don't really trust us in the Legislature.

They don't really believe that they're protected by the Landlord and Tenant Act. They don't really believe that they're subject to the rent review and it takes a lot of convincing. I know, because I have in my area a large concentration of mobile home parks, one of the largest in the province. I've gone to those parks and I've had to hold seminars on these two pieces of legislation to convince them that they're subject to it. And even then, sometimes they don't believe it.

I was at one park one Sunday afternoon during February. I was asked to come in and

explain the legislation and how it applied to a mobile home park. Because the landlord's son decided that day for the first time in a long time, to plough the street and was driving around the mobile home park in his snow-plough, most of the people didn't come out because they were afraid they would be evicted because they were talking about rents. That's how vulnerable they feel.

Even if it is not intended to hurt them, it will because if the landlord increases the rent because there was a site vacant before, in most cases the tenant will not challenge it even if the tenant has the right to do that. I think we have to make it very clear that we are protecting mobile home tenants in the same way as we are protecting all other tenants in this province.

I don't think that this government—this government is sort of equivocal about mobile home parks and mobile homes in general. It says it feels that the mobile home is a viable alternative form of housing but it doesn't know exactly how to set up regulations to make mobile home parks pleasant places to live. The Landlord and Tenant Act now provides responsibilities for the landlord as well as the tenant but they are very hard to enforce. As I said, the tenants usually do not challenge the landlords.

We have cases in my riding in which landlords have increased rents much more than they are supposed to, according to the rent review; they haven't given the number of days and months they are supposed to give for notice of rent increases according to the rent review.

Hon. Mr. Handleman: Challenge them.

Mr. Wildman: We have but that's not a solution because most of the time the tenants won't come forward. When they do come forward you can do something but most of the time the tenant still believes he is subject to eviction. I tell him, "Don't worry; you can take him to court." The tenant says, "Yes, sure," but they just don't believe it.

I think, as this operates over a number of months and many of them, perhaps, will win their cases—if they do; I hope they do—they will begin to believe it. If the minister starts bringing in exemptions which, whatever their good intentions, may be interpreted the wrong way, that's going to make it even harder to mobile home tenants to be convinced that they are protected in the same way as other tenants are in this province.

Quite frankly, I don't really see what it has to do with the whole thrust of the legislation

which is dealing with rents of geared-to-income or non-profit housing. I have yet to find a non-profit mobile home park. In some cases they make exorbitant profits. At the rent review being held in my area, very few tenants have come forward even though very many of them have had very high increases.

I think if we bring in an exemption like this, it is just going to undermine the whole process of trying to convince tenants that they are protected.

I hope the minister can explain this provision and that he will tell us this is only for new development. I hope he will be able to tighten it up in some way to show that it's only for new development or we will be producing an amendment during clause-by-clause discussion which will indicate that it's only for new development and not for mobile home sites which were at one time used, or are situate in old mobile home parks which were vacant and have since become occupied.

For that reason, I would like that explanation from the minister. I would like him to explain exactly how he sees this working and what his purposes are. I would be willing to co-operate with him in producing an amendment which would set it out completely, if it means just new development.

Mr. Roy: Possibly I can use the next five minutes to express some views on Bill 60. One of the interesting aspects of this is that when the legislation was first introduced—I am speaking personally to the minister—the minister at this time, not realizing that this rent control would be under his jurisdiction, sort of played it pretty loose.

As I recall it, the people from Ottawa who had concern about the original legislation felt, as we felt in this caucus, that some of the terms of the original legislation as proposed were unfair, especially when there was no allowance for appeal between the original period of July to March, 1976, and the minister from Ottawa at that time was not too keen on meeting with some of these people. Of course, lo and behold, the Minister of Housing, when he got the Ontario Housing stuff in it, was only too quick to do sort of an end run and give the Minister of Consumer and Commercial Relations the responsibility for this rent control.

That had to be one of the fastest shifts that we've seen in this House, how he was able to slough that off. At that time when the people from Ottawa were wanting to see this minister and discuss some of the unfairness of the original legislation, he showed very little interest in meeting with them. At

least, that is the information that I have and I tend to believe that information. It's going to be interesting—

Hon. Mr. Handleman: Mr. Speaker, on a point of order. I met with everyone from Ottawa who requested a meeting, whether they were landlord or tenant. I met them in my office or I met them in my constituency. I never refused a single person a meeting.

Mr. Roy: He might have met only with the constituents because the information I have was that was not so. Of course, he has been misinformed, and we're going to be talking about some of the things he has said about some of the goings-on in Ottawa in the near future.

What is of interest now is that if this legislation now goes through, it is going to be interesting to see whether he can pull a fast enough shift to put that back in the Ministry of Housing and out of his ministry again. He has been very vocal of late, saying that he doesn't want to be the minister of a mess and so on, and one of these days he's going to have a slip of the tongue where he is going to say, "I don't want to be a mess as a minister," and some of us question whether that's not the problem that he has presently.

Mr. Speaker, we on this side understand the intent of some of the subsections in this amendment, and it seems to us that it's not following a basis of logic that the subsidization of certain tenancies would take place, not only through rent geared to income, but then we would turn around and subsidize it again through rent control. We can certainly support parts of this bill, but we are concerned as well with other parts of the bill—for instance, as my colleague from Waterloo North mentioned, the question of the limited-dividend housing.

I would hope that the minister would look at changing this legislation as it is presented, because it seems to us that when there is an

agency, be it the Ontario government or the municipality, which is, in fact, protecting the interests of the tenant and making some subsidization, it doesn't make sense that there should be some form of control. On the other hand, we have clear evidence that in the limited-dividend housing, for instance, Central Mortgage and Housing is not protecting the interests of the tenant.

Mr. Speaker: Order, please. If I may break in here, perhaps if the hon. member has further remarks to make, he might move the adjournment of the debate at this point. You may carry on at 8 o'clock.

Mr. Roy: I'm completing my remarks.

Mr. Renwick: No, come back next Tuesday.

Mr. Roy: Come back next Tuesday? Fine, if you insist on seeing me back here next Tuesday, Mr. Speaker, I will be only too pleased to move the adjournment of the debate, and to go on next Tuesday.

Mr. Roy moved the adjournment of the debate.

Motion agreed to.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

Mr. Speaker: We will recognize the member for Oriole (Mr. Williams) at 8 o'clock.

Mr. Roy: On a point of order, Mr. Speaker. As I recall—no? No?

Mr. Breithaupt: That is fine.

Mr. Speaker: I trust the matter the member was going to raise has been all looked after.

The House recessed at 6 p.m.

APPENDIX
(See page 1706)

Answers to questions were tabled as follows:

32. Mr. Godfrey—Inquiry of the ministry: Can the Minister of Health assure this House that the needs for equipment to conduct surveys for cancer of the breast will be provided in public hospitals in the Hamilton area, thus precluding the necessity of any private clinic opening for business?

Answer by the acting Minister of Health (B. Stephenson):

The major equipment needed to detect cancer of the breast in public hospitals in Hamilton would be financed in a similar fashion to other major equipment purchased by hospitals, in that they would have to purchase the equipment using their own money, but the depreciation would be recoverable from the province.

Prior to purchasing the mammography equipment, the Ministry of Health would request that the Hamilton hospital submit their proposal to the Hamilton-Wentworth District Health Council to ensure the appropriateness of the equipment in their particular institution.

We have no controls over the radiology clinics as we do with labs, so private clinics could still be set up in Hamilton.

34. Mr. Duksza—Inquiry of the ministry: Why is the North York General Hospital classified as a Group A teaching hospital, and receives the per diem rates that a Group A hospital is entitled to, when it has no written agreement with a university medical school, nor does it discharge the responsibilities of a teaching hospital?

Answer by the acting Minister of Health:

Our understanding is that a written agreement is about to be signed between the university and the North York General Hospital. They are presently negotiating the details of the agreement.

The North York General Hospital is within the per diem cost range of other hospitals of similar types that are not university affiliated.

Our latest records indicate the following:

North York General	112.10	per diem
Central Hospital	113.25	" "
Doctors Hospital	107.25	" "
Salvation Army Hospital	112.65	" "
Northwestern General	96.30	" "
Queensway	90.60	" "
North York Branson	92.60	" "

The high cost of North York General in relation to some of the hospitals relates to the geographic location of North York General close to 401 where there would be a great deal of ambulatory and emergency care paid for in the per diem.

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Kerrio, V. (Niagara Falls L)
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Smith, R. S. (Nipissing L)
Smith, S. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stokes, J. E. (Lake Nipigon NDP)
Swart, M. (Welland-Thorold NDP)
Sweeney, J. (Kitchener-Wilmot L)
Taylor, Hon. J. A.; Minister of Community and Social Services (Prince Edward-Lennox PC)
Warner, D. (Scarborough-Ellesmere NDP)
Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
Wells, Hon. T. L.; Minister of Education (Scarborough North PC)
Wildman, B. (Algoma NDP)



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Third Session of the 30th Parliament

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Evening Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, APRIL 27, 1976

The House resumed at 8:04 p.m.

BUDGET DEBATE

(continued)

Mr. Speaker: The hon. member for Oriole.

Mr. Williams: Mr. Speaker, I find it a privilege—

Mr. Evans: There's no one here from the official opposition.

Mr. Williams: —to have an opportunity to speak to the 1976 budget this evening. It is well recognized that the provincial budget has to be considered as the base document that will govern the activities, and in fact dictate the well-being of the citizens of the province and the total economy of the province in the 12 months to come and beyond that period. This document surely is the blueprint for the immediate and long-range future; and as such one cannot minimize its importance, particularly bearing in mind, Mr. Speaker,—

Mr. Evans: On a point of order, Mr. Speaker, there is nobody from the official opposition here at all. There's nobody in their seats from the official opposition.

Mr. Speaker: The hon. member really doesn't have a point of order. Will the hon. member for Oriole continue?

Mr. Reid: But it's a good point, Mr. Speaker.

Mr. Williams: The provincial budget, Mr. Speaker, is of particular significance because it is the Ontario budget, and as Ontario goes, so in fact goes the nation. I say this without in any way minimizing the importance and the effect of the federal budget, but next to that particular document this has to be the singular most important annual presentation that is made in the country, which has profound ramifications extending beyond the borders of this particular province.

Because of its significance and importance, Mr. Speaker, I think it is imperative, it is appropriate, that not only the members of the opposition parties but the members of this party are given the opportunity to fully

air and publicly criticize in a positive way the content of this document; to tear it apart if you will, and determine whether in fact it can sustain the onslaught of criticism from whatever side of the House. If that document can stand the test of this scrutiny and criticism, then I think it augurs well for the future and well-being of the citizens of this province.

Because of the importance of the document, I think it is deserving of some considerable comment, not in a superficial way but in an in-depth manner. It bears the closest scrutiny and is deserving of overall comment and consideration because, Mr. Speaker, all too often the opposition parties are too quick to take particular sections of a budget out of context and criticize in a way that really doesn't truly reflect what the overall budget presentation reflects.

Mr. Wildman: If you take it all together it might work.

Mr. Williams: I think that accordingly, Mr. Speaker, one has to look at it in total perspective to give it a truly honest and thorough airing.

The whole essence of the 1976 budget, of course, is contained in the very opening paragraph, and because of its significance I think it bears repeating at this point in time. It's going to set the tone of the remarks and highlight the emphasis that I'll be giving to my observations on the budget over the next short while.

It was stated by the Treasurer (Mr. McKeough) three weeks ago tonight that the budget that was being presented reflected the determination of this government to keep the province's finances in good order. This may be a statement that is so obvious it barely warranted comment, yet it's so fundamental to the whole state of the union as far as this province is concerned that it had to be stated first and foremost.

In this regard, the Treasurer pointed out that the basic plans for ensuring that the province's finances were in good order would be to ensure there would be a slashing of the growth in provincial spending. I stress the word "growth" in provincial spending.

The term "cutback" has been used all too frequently, and again out of context throughout the budget debate.

It's not a question of cutting back. It's a question of containing our spending within responsible fiscal guidelines that can stand up under scrutiny, that have integrity behind them.

Mr. Mancini: That's ridiculous.

Mr. Williams: So that it is a question of slashing the growth in provincial spending; and also it's a question of reordering the priorities, of trimming government costs and reducing the number of civil servants. At the same time it points out there is a need to raise taxes in selective areas. It's within these areas that this budget, of course, brings forward a plan of purposeful fiscal restraint.

Perhaps not enough emphasis has been given during the debate to the support documents that reinforce the statement that was made by the Treasurer at the time of presentation of his budget. To ensure there has not been an oversight in this regard, I intend this evening to spend some time in commenting on the background papers to this budget; in particular the six budget papers which discuss the economy, which discuss health financing, which discuss expenditure restraint, which discuss the labour market and which discuss property tax reform, as well as an all-important consideration of the auto tax.

These are very significant support documents that I don't think have been given the proper consideration, the proper emphasis, nor have they been put in the proper perspective to date. I hope to try to correct that situation this evening.

In that regard, I would turn to the initial, budget paper A. It deals with the economic recovery of this province, which is coming out of a very significant recessionary period.

I found, as I am sure all of the candidates did who ran for this government party in the last election, that in the presentation of the fiscal actions that had been taken in 1975 by this government there was a certain degree of concern expressed by the electorate. In fact, in some quarters a degree of cynicism prevails. The government made its actions clear in its budget of 1975 and its supplementary budget in June of that year, the mini-budget as it has come to be known. But it was thought that the efforts by the government to prime the pump, to use the well-worn term, were being used for reasons of political expediency. However, it happened to be that we were going through the most diffi-

cult economic period since the end of the Second World War, and it happened to coincide with an election year.

Mr. Wildman: Bad planning.

Mr. Williams: And because of that, it was felt the move by the government to reduce taxes in some areas, and to remove taxes in some areas for a specific time, was being done to coincide with the election period.

Mr. Wildman: Oh, who said that?

Mr. Williams: This type of concern and criticism and cynicism greeted us wherever we went. It is unfortunate that the recessionary period in which we were heavily involved at that time was not the sole responsibility of any particular government—

Mr. McEwen: It was the election recession. [8:15]

Mr. Williams: —regardless of their political party affiliations. It was not solely the responsibility of this government. It was not solely the responsibility of the nine other provincial governments, nor indeed of the federal government of this country. It was international in scope and no one will refute that obvious consideration.

Interjections.

Mr. Williams: The budget does dwell at some length on the difficult economic period that we went through in 1975. I think the government has not blown its horn sufficiently to set the record straight in confirming that its actions at that time proved to be most beneficial and in the sound interests of the people of the Province of Ontario, because predictions that were made at that time by the Treasurer have borne themselves out to have been true in no small measure.

I will refresh the memories of the members of the House in pointing out that at the time of the 1975 budget more than \$600 million in immediate tax cuts and incentive programmes were undertaken for the specific purpose of stimulating the economy at that time. It was based, as I say, not on the basis of a provincial recessionary period but on the fact that we were in the midst of an international recession which was having profound effects and which no one government alone could cure.

However, it was the intention of this government to endeavour to take the worst of the sting out of the recession as it was affecting the province at that time. The economists of the day were pointing out that

the 12-month period through 1975 would be the most difficult to endure and that there was a woeful lack of action being taken at the federal or/and provincial levels by any government. It wasn't the governments that were saying this, it was the economists. Not only within this province, but beyond; the international economists, people who have a better understanding than perhaps all of us here as lay people have with regard to the complexities of the international money markets and the economies of the world in the international context.

It was this government, I would point out, that took the initiative in bringing forward some significant proposals to try to minimize the sting that was being felt during the height of the recession at the beginning of 1975. It was this government that brought forward a bold budget by introducing tax reductions, by priming the pump and by endeavouring to stimulate a sagging economy in the private sector, that did bring about a turnabout in the economy that carried us through the most difficult months of the recession.

Mr. Godfrey: By spending \$200 million on North Pickering?

Mr. Williams: It was made clear that in the first half of 1975, before the province did bring down its budget in 1975, Ontario's economic performance had dipped below that of Canada as a whole. This, of course, parallels what was happening in other industrial economies, which were also experiencing sharp drops in economic activity during that period. But because of the specific actions taken by this government at that time, the last half of 1975 finished off with a stronger performance, which left the Province of Ontario experiencing a year without any real decline in real productivity or output, which is an achievement that was attained in few other jurisdictions in the free world.

The success can be further emphasized by reason of the fact that Ontario has the most heavy industrial base in orientation in all of the provinces in Canada, and as such is the one that would be the first to experience the effects of unemployment, the lack of productivity, the lack of confidence from the private sector that stimulates the economy, the lack of confidence from the international investors in this country. So it was Ontario that had to bear the brunt, and necessarily be the one to initiate remedial action if this country, in fact, was to pull itself out of a deep recessionary period.

The provincial economy was, for these reasons, more vulnerable than that of the other provinces in Canada because of our heavy manufacturing orientation and because of the heavy export programme that we have in this province. The productivity of this country rises and falls on the productivity of the Province of Ontario.

Mr. Godfrey: The workers of Ontario.

Mr. Williams: Without the private companies of this province being productive, the workers of Ontario were not productive. Without job opportunities being made available, the workers of this province were denied the dignity of being able to provide their services for fair return, but rather had to turn, in many instances, to government support, without providing real productive services in return.

In fact, it's significant that this province, the most heavily industrialized province of the country, found that its unemployment statistics were below the national average, that this province's unemployment figures were 6.3 per cent—

Mr. Wildman: It is 22 per cent on the north shore.

Mr. Hodgson: Don't you like this country?

Mr. Williams: —while those of Canada as a whole were 7.1 per cent; this indeed is most significant evidence of the success of the actions of this province.

Mr. Hodgson: Why did you come to the Province of Ontario?

Mr. Speaker: Order, please.

Mr. Williams: For the benefit of our socialist friends, I would point out that the thrust of Ontario's fiscal policy in 1975 was to give direct and immediate impetus to private sector spending by temporary tax cuts. In order to let that message sink in, I'll repeat that statement, without interruption I would hope, because from this point forward I'll be dwelling on this point again at some length. I would reiterate, therefore, that the thrust of the 1975 Ontario budget was to give direct and immediate impetus to the private sector by temporary tax cuts, and I emphasize the word "temporary."

Mr. Godfrey: Like \$200 million for North Pickering? How many jobs did that create?

Mr. Williams: This province realized it could not continually continue to spend at a rate faster than it was bringing in tax reve-

nues. It was admitted and acknowledged and conceded that deficit financing had to be a temporary measure to deal with a very special economic condition that existed and prevailed at that time.

Accordingly at that time, Mr. Speaker, I perhaps needn't remind you as one of the members of the House at that time, but for the benefit of my other colleagues in the House who are for the first time participating in the activities of this Legislature, the principles enunciated at that time were to prime the pump by reducing sales tax from seven per cent to five per cent, by rebating to consumers the entire sales tax on new car purchases and by providing a \$1,500 grant to first time home buyers so that the consumer markets, the automotive industry and the construction of homes were the basic areas in which the government endeavoured to provide encouragement to the private sector to stimulate the areas sagging and reeling under the impact of the recession at that time.

On a longer-term basis the government, coincidentally with those measures, was endeavouring to encourage investment and increased productivity by totally removing retail sales tax from machinery and equipment purchases delivered before Dec. 31, 1977.

Mr. Godfrey: How many jobs did that create?

Mr. Hodgson: How many jobs did the member opposite create? None.

Mr. Godfrey: Come on. I gave you a political chore to do and did it very nicely.

Mr. Speaker: Order, please.

Mr. Williams: The significance of those actions is that while it was a cost to this government of approximately \$600 million in lost tax revenues, those revenues were not totally lost. They were simply redirected into the private sector and, as such, significantly stimulated the economy when it needed stimulating the most.

Mr. Godfrey: And raised profits.

Mr. Williams: Lest any member of the opposition suggest that these observations are made from a partisan, biased point of view, I can simply reinforce the success of those measures by referring to the impartial assessment of that undertaking enunciated in the Canadian Tax Journal by people who are qualified to speak on the economy and on the matter of balancing books.

Mr. Wildman: You believe that that is an unbiased source.

Mr. Williams: It was pointed out in that respected journal that the 1975 Ontario budget provided a significant stimulus to the economy. Moreover, the stimulus provided in the Ontario budget was such that it ensured a maximum impact around the turn of the year with the effects tapering off as the recovery of the economy gathered strength. The economists had predicted that by the end of 1976 the economy would gather strength and it was for this reason that the government felt that on a short-term basis it could endure a period of deficit financing to help stimulate the private sector.

The success of that programme was overwhelming and I think it's important that it be read into the record how successful that programme was. The critics who suggested that the Treasurer at that time was being optimistic about the extent to which the private sector would be stimulated need only turn to table 4 in paper B, on page 6 thereof. It pointed out very clearly that the provincial Treasurer underestimated the success of the first home buyer grant programme which had been anticipated to stimulate that sector of the economy by \$55 million and, in fact, stimulated it to the extent of \$90 million.

It's interesting to note that the Treasurer had predicted cautiously at that time that the automotive industry and all the jobs it entails—that's one out of every six workers in this province, directly or indirectly—would be stimulated to the extent of an input of \$24 million as a result of the exemption of sales tax on automobiles, when in fact the end result showed that the rebate on sales taxes on automobiles stimulated the economy to the extent of \$45 million rather than \$24 million. These are very significant achievements that I don't think have yet been read into the record and it is long overdue that they should be so recorded.

[8:30]

The most substantial benefit of that programme of course was the stimulation of the consumer market. The reduction of sales tax from seven to five per cent brought about benefits that had not been anticipated, far greater again than what the Treasurer had optimistically, yet cautiously, predicted at that time. In fact, the collective result of these measures indicates that the \$347 million in tax savings was distributed among broad sectors of the economy, from which clearly the consumers enjoyed the bulk of the benefits and, as expected, the retail trades in Ontario immediately picked up momentum.

Prior to the introduction of that budget and the supplementary mini-budget, the retail trades in Ontario were more sluggish than they were in the rest of Canada, but the turnabout came with those innovative and significant measures being introduced. So by the end of that 12-month calendar period which represented three-quarters of the fiscal budgetary period, the recovery period in retail sales in Ontario had risen from a 9.6 per cent increase in the first half of 1975, to a gain of 17.8 per cent in the second half, a very significant improvement indeed.

As I have made reference to already, and which I think deserves further elaboration, the government recognized the high degree of involvement of the work force in the auto industry in this province—in fact, 90 per cent of the auto industry in this country is within the Province of Ontario. When the federal government introduced its budget last June it had an adverse effect, as far as stimulating the auto industry that employs so many of the workers of this province, because it brought about an increase in oil prices not only at the wellhead but also at the pumps. The most interesting aspect of that regressive type of taxation was that three-quarters of that went directly to the federal government rather than back into the private sector to stimulate the much-needed development resources of the private sector to find greater reserves of energy within this country.

In order to counter that regressive form of taxation, the Treasurer saw a need to introduce the mini-budget to further stimulate our economy and bring us through the height of the recessionary period, to smooth out the valleys and the peaks in a way that would least injuriously affect the citizens and workers of this province.

Lest it is not clearly understood as to the significance of that involvement and the effect that tax reduction had on the auto industry and the negative actions taken by the federal government, I would simply remind the members of the House, Mr. Speaker, that the higher energy prices which were announced in that federal budget in June came at a time when the North American automobile industry was in a depressed state; the sales were sluggish and the production was falling. The workers were becoming unemployed.

In the first half of 1975, the sales of North American-built cars in Ontario were off 6.1 per cent. Production in Canada was down by 20 per cent over the same period and industry layoffs reached as high as 50,000 workers.

The \$44 million tax rebate programme initiated at that time by this government helped

turn the car market around and propel it to a record year of sales in Ontario; a point that our loyal opposition and members of the third party are too often remiss in mentioning.

For indeed, the sales of North American-produced cars in the province rose by 38.1 per cent in the second half of 1975, compared with the drop of 6.1 per cent that I referred to a moment ago in the first half of that year; and that strong response boosted sales in Ontario to nearly 14 per cent above the 1974 level. I stress that happened during the height of the recession that we were experiencing.

As a consequence—and I am sure my learned friend, the member for Durham West (Mr. Godfrey) will be interested in and, I think, heartened to be reminded of the fact—as a result of that action, employment in the automotive industry recovered strongly. By the year's end the layoff level had been reduced from 50,000 workers in the automotive industry to 5,000 workers.

In the first three months of 1976, automobile production in Canada increased by 22 per cent over the levels of a year prior. It has proven to have been an appropriate form of action for the government to have taken at that time.

I don't hear in the House today criticism being directed at the government for the action it took at that time in priming the economic pump, because the members opposite do know the success of that necessary temporary measure.

Of course, the other key area was in the housing market, which also was in a highly-depressed state. The shocking facts at that time, in the early months of 1975, were that the housing starts were running 58 per cent below 1974 levels.

Mr. Godfrey: How can you admit that?

Mr. Warner: It is your own fault.

Mr. Godfrey: How can you admit that?

Mr. Speaker: Order, please.

Mr. Williams: This was before the Treasurer introduced the positive budgetary measures of that time. The great success of that programme is evidenced in the fact some 90,000 purchasers took advantage of the incentives to acquire their first homes under the first home buyers programme that was introduced as a measure to counteract the sagging housing industry.

Mr. Mancini: It was a temporary measure.

Mr. Williams: I have no hesitation, nor does this government, in acknowledging the extent of the depressed housing market at that time.

Mr. Warner: Houses by lucky draws; big deal.

Mr. Williams: And, of course, the simplicity of one suggesting that it was the fault of this government that there was a depressed housing market, when it was international in scope, I think warrants comment.

Mr. Warner: Blame it on the feds.

Mr. Williams: This government alone could not be blamed for the depressed housing market at that time. But certainly this government, I think, if it is to be blamed for that, can be more clearly applauded for the action it took to again counteract that situation. As a result of those measures, Mr. Speaker, while I have clearly and openly pointed out the severity of the depressed housing market at that time, I would point out that there was a happy conclusion at the end of 1975 to that perilous situation; because, Mr. Speaker, in 1975, first time home buyers accounted for fully 54 per cent of total housing sales, as compared to about 30 per cent in a normal year.

Mr. Godfrey: What price were they? In what price range?

Mr. Warner: Have you solved the housing problem?

Mr. Wildman: To buy a \$200,000 home—

Mr. Godfrey: It's amazing what \$1,300 can do.

Mr. Williams: Mr. Speaker, in answer to the questions that have been raised by the opposition members who have implied in their criticisms and comments that the home buyers who benefited the most were those in the higher price range, the statistics show, Mr. Speaker, that while the home buyers grant programme had no price or income criteria, nevertheless the results of the programme attested to the merit of this programme in that of the estimated 85,000 units purchased with the help of the incentive, nearly 80 per cent, I would point out, were under \$50,000 in price.

Mr. Godfrey: Try \$500,000—

Mr. Williams: And only one per cent were in the price range of \$80,000 and over.

Mr. Godfrey: You mean to say you expect people to buy houses for \$60,000?

Mr. Williams: The price differential between new and resale units was very narrow, and the average price for all homes bought under this incentive was \$39,118. Therefore, Mr. Speaker, in retrospect, Ontario's three major fiscal initiatives in 1975 were, without question, an overwhelming success as far as the desirable economic impact was concerned.

Not only did sales, production and employment revive, but confidence also improved. As a result, Mr. Speaker, the Ontario economy ended 1975 on a firm recovery path which has continued on into 1976.

Mr. Warner: You're not even serious!

Mr. Williams: So I think it was necessary, Mr. Speaker, to spend some time on recapping the actions of this government during the height of a recession in 1975 and to again set the record straight as to the success of the economic activities of this government as represented in its budget at that time.

But this government, Mr. Speaker, is the first to recognize that you cannot indefinitely assist the private sector to bring them through a recessionary period, or a period of decline in the economy, by participating, without some termination point, in deficit financing. It's a costly way to undertake government activity and it is one that no responsible government would recommend for a lengthy or sustained period of time.

[But I suggest to you, Mr. Speaker, and it's been borne out by the results, that in fact the temporary measures that were taken at that time were precisely in accord with what the economists were asking for and demanding, and which the federal authorities fell woefully short in responding to.]

It was this province that took the initiative, and I suggest, Mr. Speaker, in large measure blunted the worst effects of recession in this country. For in fact, Mr. Speaker, I think it has been clearly demonstrated that the recessionary adverse effects in the country to the south, in the United States, were far more harsh than those experienced in this jurisdiction.

[8:45]

Mr. Wildman: They're better of than we are.

Mr. Williams: And while the US economy has now taken a turnaround—

Mr. Godfrey: Because of your tax cuts?

Mr. Williams: —it appears again that the predictions, as set out in this budget, are also going to be borne out as being accurate assessments of the economy, with the appropriate fiscal measures being taken now to assist the private sector to take advantage of the recovery, to restore the confidence of the private sector and to leave the initiative now with the private sector, which has substantially recovered from the onslaught of recession in 1975.

In this area, it is anticipated that export performance this year is expected to be the leading source of strength in 1976 in reinforcing our private sector because of strong consumer demand. We anticipate there will be greater investment activity in machinery and equipment purchases. And this will, of course, result from a strengthening of corporate activity and corporate profits. And when private industries are healthy and operating in an air of optimism, then this has to benefit the employees of those companies, whether large or small.

Mr. Wildman: What is good for Henry Ford is good for the world.

Mr. Williams: It is anticipated, and so stated, that in the export area there will be an estimated 20 per cent increase in exports this year, which is indeed a significant turnaround; and while the imports in this province will continue to remain at approximately 13.5 per cent, as they were in 1975, there is a significant 6.5 per cent variance between exports and imports that will leave us in a positive, healthy fiscal position.

Mr. Roy: Are you giving us your budget? Is that it?

Mr. Warner: He is not even serious; that's it. You condone housing by lucky draw.

Interjections.

Mr. Warner: Lucky draw; that's the way to do it!

Mr. Williams: Again, because of the particular concern of our friends across the way—

Mr. Warner: That's the only way you'll keep your seat, by lucky draw.

Mr. Williams: —it is directed toward job opportunities. The significance of a healthy economy is of course reflected in the reduction of the unemployment situation, and it is predicted that employment in Ontario in

1976 is expected to increase by 3.2 per cent or 116,000 new jobs.

Mr. Warner: How?

Mr. Williams: Our socialist friends may scoff at these statistics; and it's unfortunate if they do when they're such a positive set of statistics.

Mr. Warner: Deal with the facts.

Mr. Good: It's Darcy juggling figures; that's all it is.

Mr. Williams: Of course, when the facts are positive and are complimentary to the work force and the initiative of the private sector, it is unfortunate that our socialist friends take those facts to task as being unrealistic, leaving them without ammunition to pursue their particular economic and social philosophies.

Mr. Godfrey: You don't think this increase is going to come in the hospital industry, do you?

Mr. Williams: I'll be dealing with the hospital industry in a short moment or two.

Mr. Roy: You're not going on much longer, are you?

Mr. Williams: It is on a healthy note that the employment situation in this province is moving out of a depressed situation into a period of high employment. And while those in the labour movement have been critical of wage and price controls and restraint—

Mr. Warner: Wage and wage controls.

Mr. Williams: —nevertheless it has had some significant beneficial effects.

Mr. Wildman: Ask them in Elliot Lake.

Mr. Wildman: It is pointed out in budget paper A that basic wage settlements, which peaked in Ontario in the fourth quarter of 1974 at 15.5 per cent, moderated through 1975 to 12.9 per cent by the end of the third quarter.

More moderate wage settlements in the private sector in Ontario over this period are particularly encouraging.

Mr. Warner: Taking money away from the workers.

Mr. Godfrey: We have 8,000 out of work in Oshawa.

Mr. Williams: It would appear that the resumed growth in the United States, and the

stabilizing of other major economies, should ensure the resumption of normal levels of economic performance in Canada in 1976. And with restraint in the government sector and more moderate wage and price increases, Ontario's economic performance in 1976—

Mr. Warner: Name a price control; go on!

Mr. Williams: —will be better balanced and more consistent with long-term international competitiveness.

Unfortunately, Mr. Speaker, I think that this is an area that is too often overlooked by our friends in the loyal opposition—

Mr. Warner: Name one price control.

Mr. Speaker: Order, please.

Mr. Williams: —in that we have to remain internationally competitive. Unless we are productive and can match the productivity of other nations, our exports which are a major part of our economy, will suffer. Our industries and our workers will suffer in turn, because there is undoubtedly a rippling effect that has to occur. It perhaps can be simplistically overlooked, but it is an integral part of the whole economic fabric.

One of the areas that is of particular interest and concern to all of us, and has perhaps been of even greater concern to the financial critic of the official opposition, is in the financing of health insurance in Ontario.

So I turn at this time to budget paper B, which deals with the financing of health insurance in Ontario. If there is one area of the budget which requires to be put into proper perspective, it is certainly in this area. It seems that this is the particular area that the opposition feels is the Achilles' heel of the whole budget, and there could be nothing further from the truth.

Mr. Godfrey: We have another anatomical miracle.

Mr. Williams: There could be nothing further from the truth, Mr. Speaker.

Mr. Wildman: I don't think that's an Achilles' heel; that is a bionic budget.

Mr. Williams: It has to be pointed out that in 1959 this government embarked upon one of the most ambitious universal health programmes of any province in the country, and indeed of any jurisdiction on the continent.

Mr. Warner: Who forced it? Right here.

Mr. Godfrey: Except Saskatchewan.

Mr. Williams: That programme started out, as you may recall, Mr. Speaker, with the government of Ontario entering into partnership with the government of Canada in introducing a universal prepaid hospital insurance plan. It wasn't long after that it was recognized that the province had to establish, in conjunction therewith, a voluntary medical insurance plan, at that time designed to cover the 25 per cent of the population who were not insured through private plans. This was a modest beginning, Mr. Speaker, but from that period of time and through the past 17 years we have come to achieve within this province one of the most sophisticated universal health programmes anywhere in the world.

This initial start has grown from those initial experimental programmes, as they were at that time, to a sound social, fiscal, health finance programme within the Province of Ontario. But this success has not been achieved without cost. And in fact the freely accessible health care has led to increased utilization of health services and a greatly increased flow of resources into the hospital and medical delivery systems.

Mr. Wildman: A terrible situation. Sick people are actually using health facilities.

Mr. Warner: That's not what the minister said.

Mr. Williams: The resultant cost pressure, in conjunction with the decline in the relative importance of premium revenue, has generated a huge financing gap.

Mr. Warner: Sock it to the poor. They will love that.

Mr. Williams: And here, Mr. Speaker, I will have the opportunity of pricking the balloon of the simplistic criticisms of the opposition. They keep saying that you are "socking it to the poor," to use the common jargon, or applying it against those who can least afford it; the blind, the disabled, the widows. This type of rhetoric from the opposition continues without—

Mr. Warner: How true it is.

Mr. Williams: —any factual backups to substantiate those generalizations that have become nothing more than rhetoric and well-worn clichés that can be attributed only to our socialist friends across the way.

To put into perspective the health insurance programme—the problems that we are confronted with, and the positive responsible

measures that this government intends to take—

Mr. Warner: Total mismanagement.

Mr. Williams: —to continue to provide the quality of health care in this province that the people of this province deserve, yet within more manageable financial parameters and with a programme that is to be more efficient rather than more inefficient—I would simply point out where we are at and where we are going as clearly identified by budget paper B.

It has been pointed out that expenditures on insured health services have more than doubled in the past five years. During the same period Ontario's gross provincial product grew by 82 per cent and total provincial revenues expanded by 79 per cent. In simple terms, this means that the health insurance plan has consumed a rapidly growing share of the government's tax revenues and created an ever-increasing drain on the province's economic resources.

Mr. Wildman: Why don't you look at doctors' incomes?

Mr. Warner: Tell us about private labs.

Mr. Williams: I think this can be clearly demonstrated; one simply has to look at the provincial financial pie and one clearly sees that in excess of 27 per cent of that pie is directed to health care.

Mr. Warner: Less than last year.

Mr. Williams: That is approximating almost a third of the provincial budget.

Mr. Norton: How much is going to Brown-dale?

[9:00]

Mr. Williams: Well, Mr. Speaker, there have to be measures taken to counteract the extent to which the government budget has to be directed to health care without impairing the quality of health care and the universality of that programme.

It has been demonstrated, Mr. Speaker, that the root cause of cost escalation has been a steady rise in the per diem cost of hospital care, combined with the greatly expanded volume of medical claims.

In the area of hospital services, Mr. Speaker, expenditures on insured hospital services has increased from \$794 million in 1970-1971, to \$1.634 billion in 1975-1976.

Mr. Warner: Tell us about the private labs.

Mr. Williams: A rise, Mr. Speaker, of 106 per cent over five years.

Mr. Godfrey: They are doing the closings.

Mr. Warner: Why don't you stop avoiding it? Tell us about private labs.

Mr. Williams: This rate of cost escalation is more than twice the rate of inflation over the same period.

Mr. Wildman: Look at doctors' incomes!

Mr. Williams: With regard to medical services, Mr. Speaker, expenditures on insured medical services have risen less rapidly than hospital expenditures. However, over the past five years medical care expenditures increased by 70 per cent.

Unlike the hospital sector, where unit costs are pushing up total expenditures, in the medical sector it is the volume of services which is driving up spending. The total number of OHIP claims has risen from \$32 million in the first full year of medicare to \$51 million in 1975-1976, representing a volume increase of 60 per cent.

Mr. Warner: Are you not going to do away with OHIP? Is that what you are telling us?

Mr. Williams: The obvious need is to control costs, Mr. Speaker, and Ontario's health care delivery system has been studied extensively to identify where and how economies can be achieved without impairing the quality of health care and delivery of services.

Mr. Reid: You've got to be kidding. Haven't you heard the figures that have been contradicted by the Ministry of Health itself?

Mr. Warner: This is absolutely silly.

Mr. Reid: Sounds like an old speech somebody is running through for the third time.

Mr. Williams: Mr. Speaker, I think one of the encouraging factors in the health care area has been that on the Medicare side the Ontario Medical Association has agreed to a fee increase of not more than 8.1 per cent in 1976.

Mr. Warner: That is an income increase of 15 per cent.

Mr. Williams: And with this strong cost-cutting programme, total expenditure of insured health services are expected to grow by only 12 per cent for the fiscal 1976-1977 period, vs. the 15 per cent average annual

growth rate over the previous five years and 20 per cent average annual growth rate from 1973-1974, to 1975-1976.

However, Mr. Speaker, it is obvious there has to be complementary action taken on the financing side. Even with a strict control over costs the deficit in health care financing in 1976-1977 would rise in the absence of a premium increase.

I think it's understood, Mr. Speaker, but I won't take it for granted so I will point it out again for the record, that Ontario's comprehensive health insurance plan is financed from three sources. About 45 per cent of the funding is in the form of shared cost reimbursements from the federal government, which as we all know is in a precarious state at this point in time.

Mr. Wildman: One source is the people's pocketbook.

Mr. Williams: The remaining 55 per cent is financed by the province in the form of health premiums and contributions from the consolidated revenue fund. The financing problem arises because premium revenues grow only by about two per cent per year, or roughly the rate at which the population grows. Without periodic increases in premium rates, revenues from this source cover a steadily diminishing share of the total cost.

In addition, contributions from the federal government are precarious at best, based on complex formulas involving national average costs, eligible expenditures and the like, which have escalating factors for which it is difficult to have a clear picture at all times. It has been made clear that the federal government intends to compound this problem by limiting its financial participation in the future by the imposition of ceilings, which in turn will place a heavier burden on provincial sources of finance.

Over the past five years the shortfall between health insurance costs and the revenue from federal government, plus premiums, has steadily widened. This financing gap was a relatively modest \$72 million in 1970-1971, when premiums covered 44 per cent of costs. By 1975-1976 premiums covered only 23 per cent of costs, leaving a shortfall of \$788 million to be made up from the general revenues of the province.

Premiums historically have been a major source of funding, averaging one-third of total financing.

Mr. Warner: Not in Saskatchewan; zero there.

Mr. Williams: Despite the declining relative importance of this revenue source in recent years, health premiums remain the only direct link between the user of health services and the costs of providing those services. For this reason alone it is essential to increase this direct revenue flow from the consumers of health services.

Mr. Warner: Pay as you go.

Mr. Norton: Best way.

Mr. Williams: Health insurance premiums have taken up a steadily-declining portion of personal income over the last five years, and this is contrary to what is being espoused by the official opposition members. Per capita income has gone up by 68 per cent, prices have increased by 39 per cent, but per capita premiums have gone down by 15 per cent. And that, I think, is one of the most significant bits of statistics I have introduced so far this evening.

I hope that all members of the House have had an opportunity and taken the time to address themselves to the budget papers that really are the substance of the provincial budget—

Mr. Warner: And the McKeough-Henderson report too.

Mr. Williams: —because so many of the erroneous statements that have been made, and the statements that have been made out of context with regard to criticism of the budget, have arisen by reason of the fact that people perhaps haven't taken the time to inform themselves on the statistics that are readily available to them.

Mr. Warner: You should get a job now as public defender.

Mr. Williams: Criticism is fine, but I think it has to be borne out by statistics and background information, not by generalizations for which there is no substance in fact.

Mr. Warner: There is.

Mr. Williams: Conventionally, premiums are regarded as a regressive form of taxation. However, Ontario's health premium system contains three basic elements of progressivity.

Mr. di Santo: Progressivity? You must be kidding.

Mr. Williams: First, some 20 per cent of the covered population, including pensioners, welfare recipients and low-income families, are entitled to free premiums.

Mr. Renwick: That is not progressive, they couldn't pay them.

Mr. Williams: I don't think the opposition has made reference to this fact at all during the budget debate.

Interjections.

Mr. Speaker: Order, please.

Mr. Williams: A further substantial number are entitled to half premiums.

Secondly, OHIP premiums have been institutionalized as a regular fringe benefit in most collective agreements, with employers paying all or a substantial part of the monthly charge. I think this is reflected in the statistics that were presented in the House by the Treasurer when he pointed out that in 1975 only 29 per cent of premiums collected were actually paid by individuals, the balance having been paid by employers as taxable fringe benefits. That is over 70 per cent of the premiums were paid by the employers, not the employees. That brings me back to the other point, that 20 per cent of the population were not required to pay anything at all in the way of premiums for OHIP—

Mr. Renwick: They couldn't possibly have paid.

Mr. Williams: —because of age or income. So again the private sector was paying the charges for those who could not themselves afford to pay the premiums.

Mr. Norton: That is why it is so structured.

Mr. Renwick: It is the same today as it was in 1968. How could they possibly have paid?

Mr. Williams: The third progressive aspect of the premium system is, as I pointed out, the premium contributions are paid by the employers as a taxable benefit.

In endeavouring to restore some balance to the financing of hospital care in this province, the 1976 budget has taken three complementary actions to preserve the equity and restore better balance in health insurance financing.

While it is increasing premiums, at the same time it is broadening premium assistance and is increasing the user charge on semi-private and private hospital accommodation. A great much ado has been made by the financial critic for the official opposition over the fact that premium rates will increase by \$5 per month for single persons and by \$10 per month for families. That critic has

suggested that those who can least afford it are the ones who are bearing the brunt of this premium increase.

In fact, if you really analyse the \$10-a-month increase for families, Mr. Speaker, putting it in simple terms that can be easily understood that would represent the cost of less than two cups of coffee a day.

Mr. Warner: A point of order, Mr. Speaker.

Mr. Williams: Thirty-three cents a day would be the increased cost—

Mr. Speaker: On a point of order, the hon. member for Scarborough-Ellesmere.

Mr. Warner: May I ask the Speaker's discretion? Is it incumbent upon any member of this legislative assembly to be serious in his remarks with regard to any debate which is taking place in the House?

[9:15]

Mr. Speaker: That's not a point of order. The hon. member for Oriole may continue.

Mr. Williams: I appreciate the opportunity for a brief respite, Mr. Speaker. I thank the member for Scarborough-Ellesmere; I'll continue.

Mr. Conway: So did we.

Mr. Williams: Again the fact that the bulk of the increases will be borne by industry bears reiteration. In excess of 70 per cent of the increases will come from that source.

Effective April 1, 1976, the OHIP premium assistance will be substantially extended, a point which the opposition have again chosen to ignore in their criticism of the increase in premiums so as to keep it out of perspective.

All persons currently entitled to free coverage will continue to enjoy this benefit. Under the broadened premium assistance being made available through this budget, an additional 296,000 persons will qualify for free coverage. This will be achieved by raising the taxable income criteria from zero to 1,534 for a single person and to \$2,000 for families.

Mr. Wildman: That's if he makes just over \$8,000.

Mr. Williams: The changes in premium assistance mean that in 1976 an estimated 1.8 million people, or almost one person in four in Ontario, will receive free or subsidized OHIP coverage.

Mr. Renwick: Perhaps I could repeat what I said, that they can't afford to pay it.

Mr. Norton: That is precisely why the programme was designed that way, to assist them.

Mr. Williams: The value of this premium assistance is no less than \$279 million.

Mr. Renwick: The lowest 20 per cent of the population in Ontario had five per cent of the income. How can they possibly pay it?

Mr. Williams: This is precisely, as stated by my learned colleague, why the programme is being extended to those who are least able to pay.

Mr. Renwick: It doesn't make it progressive, because if you're going to have a universal plan you can't collect money from a stone.

Mr. Wildman: Why don't you eliminate the premiums?

Mr. Conway: Let the filibuster continue.

Mr. Williams: Of course, that is the simplistic rationale that is applied by our friends across the way who say why not make it a free programme? The money obviously is going to come from a stone from which the member for Riverdale suggested it couldn't be drawn or extracted.

Mr. Renwick: You can get it from where you got it before, from the corporations. You got 70 per cent from the corporations. Nobody then has to pay because the corporations don't need medical attention.

Mr. Williams: And so it should come from that area, and it is; a very substantial portion of it is, under the progressive collective agreements that have been negotiated in this province, agreements that benefit the working force in this province as you will find in no other jurisdiction.

Mr. Renwick: Let the corporations pay it all.

Mr. Williams: It's because of these provisions that we do have as extensive a health care programme in Ontario. To ensure the integrity and extent of that programme we have to narrow—

Mr. Conway: Did you check that in Tasmania?

Mr. Williams: —the financial gap, which is what the budget is all about. It's being

attained in a way that will preserve the quality of the programme and, at the same time, extend the benefits to those who are at least able to afford the programme out of their own limited personal wealth; people for whom the member for Riverdale is most concerned, as are the members on this side of the House.

The other area from which the moneys will be extracted to assist those who are most needy and deserving of subsidization from the government will be the OHIP benefits covering standard ward accommodation in hospitals, in that the semi-private or private accommodation charges or premiums will be increased. And so by the action proposed in the budget in the area of health care, it is determined that there will be a contribution directly to the reduction of the province's overall deficit in 1976-77 to ensure a sounder financial base—

Ms. Gigantes: The Conservative deficit.

Mr. Williams: —for one of the most comprehensive health care plans in the world.

Mr. Godfrey: What about Sweden?

Mr. Wildman: Does the deficit have anything to do with those great programmes in 1975 you described earlier?

Mr. Williams: Premiums will now generate approximately 28 per cent of the total financing of OHIP.

Ms. Gigantes: Shame.

Mr. Conway: Says who?

Mr. Williams: This is more appropriate—

Mr. Norton: Where do you propose it comes from?

Mr. Williams: This is a more appropriate level than the current 23 per cent.

Mr. Renwick: That is regressivity.

Mr. Norton: Oh come on, you can't tell whether you're going forwards or backwards.

Mr. Conway: Who wrote this, Stanley Randall?

Mr. Williams: Now, Mr. Speaker, if I might I'd like to return to budget paper C.

Mr. Godfrey: What about employment? You were going to talk about that.

Mr. Williams: Patience, my friend, patience.

Mr. Renwick: You ask a lot of us.

Mr. Williams: One of the main thrusts of the budget paper is the need to restrain expenditures in the public sector. While I spent some time commenting on the benefits that accrued as a result of the strong fiscal stimulus that the Ontario government gave to the province in 1975—

Mr. Conway: It is called an election-year prophecy.

Mr. Williams: —the government now has to take measures to prevent an excessive expansion of government expenditures during this fiscal period.

Mr. Conway: Lorne Henderson doesn't agree.

Mr. Williams: If it is in any way to maintain integrity with the private sector by matching the restraints that are being asked of the private sector, individually and collectively, this government has to show the initiative, and take the initiative, in showing equal restraint in the public sector. This government, more than any other government in this country, has taken that initiative in no uncertain terms.

Mr. Wildman: How many casuals have you got on staff?

Mr. Conway: The end!

Mr. Williams: In 1975 Ontario's fiscal initiatives amounted to some \$600 million and accounted for a large part of the increase in the 1975-1976 deficit. This we make no apologies for—

Mr. Haggerty: You can add another 300.

Mr. Williams: —nor do we hesitate to recognize, but it was done for specific purposes under unique conditions.

Mr. Conway: Yes; election ones I believe.

Mr. Godfrey: In 1974, the same amount.

Mr. Conway: Fiscal initiatives, remember?

Mr. Williams: As I pointed out earlier, before some of the members came into the House, the success of that economic support policy has become readily apparent—

Mr. Wildman: The election results show how successful.

Mr. Williams: —and the temporary fiscal initiatives have expired as scheduled.

Mr. Renwick: That support policy coincided with the calling of the election; it is known as cyclical financing.

Mr. Williams: The province has added some \$330 million to its revenue capacity through tax measures announced in this budget.

Mr. Conway: You make John Maynard Keynes sound like a person.

Mr. Williams: To achieve restraint in its demands on the output of the economy, however, the government has taken strong action to control the growth of its spending by limiting expenditures to a 10 per cent increase in the current fiscal period.

Mr. Renwick: Actually you didn't quite do that, did you?

Mr. Williams: And in fact no, we did not quite achieve that objective—

Mr. Renwick: That's right.

Mr. Williams: —as acknowledged and conceded by the Treasurer and this government.

Mr. Conway: And Gordon Walker didn't like that.

Mr. Williams: A 10.4 per cent increase is a significant difference from the average rate of 15.1 per cent that was being achieved in previous years, a significant shift.

Mr. Renwick: A significant shift from last year.

Mr. Conway: Is that what happened to the seats?

Mr. Williams: Pardon?

Mr. Conway: Were some of those seats lost in the last election?

Mr. Williams: Ontario has maintained that excessive government spending is a major inflationary force in Canada. I think it's acknowledged by all people within and without the House.

Mr. Conway: Put in a worse position.

Mr. Haggerty: For five consecutive years.

Mr. Wildman: You drove the member for Erie (Mr. Haggerty) back to this side of the House.

Mr. Williams: I think this is one common area of agreement that we have as legislators in this province. Government expansion and expenditure is reaching a point where it is beyond the gross provincial productivity level and as such cannot be sustained for a significant period of time without creating financial chaos and collapse.

Mr. Conway: What did you say was "gross"?

Mr. Williams: As I indicated, over the past decade public sector expenditures have grown at an average rate of 15.1 per cent, compared to a 10.5 per cent average growth in consumer expenditures.

Now initially this public expenditure growth was fueled by inflation.

Mr. Reid: What do you mean, "fueled by inflation?" Isn't it the other way around?

Mr. Williams: Inflation generated increases in government revenues.

Hon. Mr. Rhodes: Inflated by fuel.

Mr. Williams: However, this public sector growth continued even when the economy stopped growing; hence our dilemma.

Mr. Conway: That's what Lorne tells us.

Mr. Williams: The government was thereby diverting resources from investment and private incomes.

Mr. Conway: Called Wintario.

Mr. Williams: And such excessive public sector expansion must be at the expense of private initiative and a stable economy.

Mr. Conway: Lorne has a new suit.

Mr. Williams: I made reference earlier to the negative impact of some of the federal fiscal actions that have been taken in recent times.

However, the government of Ontario thought there were benefits to be derived from the action taken by the federal government in introduction of its anti-inflation programme, while disagreeing with some of the specifics of the programme and the duration of the programme and the manner of implementation of the programme.

But in principle this government has declared its support for a concerted national effort to break the grip of inflation on not just Ontario's economy but on Canada's economy.

Mr. Conway: Are you sure Lorne agrees?

Mr. Williams: Since restraint by government alone will not overcome inflation, Ontario has fully committed itself in support of the national price and wage guidelines.

Mr. Conway: What about the energy part of that?

Mr. Williams: But, acting in a domestic manner, the Ontario government has brought its own public sector under the national system of controls.

Mr. Davidson: Explain that. Explain that.

Mr. Williams: Which is more than what the federal government apparently has been prepared to do based on news releases issued today.

Mr. Davidson: You have opted out of your responsibility, my friend.

Mr. Williams: The public sector includes direct employees in the provincial government, as well as municipal government employees, plus those in Crown corporations, provincial commissions, school boards, universities and hospital boards. In fact, if these support groups had not been included in the restraint programme they would have eliminated a major employment sector from the controls.

Mr. Wildman: The provincial government is putting its employees under a federal government that isn't even restraining its own expenditures or following its own edict.

Mr. Davidson: Is your government certain the people of this province want that?
[9:30]

Mr. Williams: The backbone of the provincial restraint programme and its success is related to the change in priorities and in internal cost reductions. As pointed out in the position paper, the government's expenditure restraint programme has four complementary thrusts. One is reordering priorities for 1976-1977; the second is the reduction in the civil service complement, which is politically not an easy thing to do.

Mr. Conway: Is there an end to this circle?

Mr. Williams: The internal cost-cutting measures have been embarked upon.

Mr. Davidson: What do you do with people you put out of work?

Mr. Williams: And of course of some significance is Ontario Hydro's capital spending cut backs.

Mr. Davidson: What do you do with people you put out of work?

Mr. Haggerty: The Treasurer read that same report in 45 minutes.

Mr. Williams: To inform better those members who prove impatient or are not catching the initial comments, I will elaborate on some of the points I've touched upon.

Mr. Conway: No! Spare us! Act 5, scene 4.

Mr. Williams: I've got all week, Mr. Speaker.

Mr. Reid: It feels like all week listening to you.

Mr. Williams: I find it discouraging that the base document which will determine the well-being or otherwise of this province this year, and into the immediate future, is taken so lightly.

Mr. Davidson: It's most unfortunate to have to rely on your speech; I'll tell you that.

Mr. Williams: I gather perhaps it has been left on shelves to gather dust in too many areas. I was about to address myself to the backbone of the provincial restraint programme—

Mr. Conway: Which is abdication, is it not?

Mr. Davidson: Direct abdication of responsibility is what you're saying.

Mr. Williams: —which deals specifically with four areas, but of course, the initial thrust is in the area of expenditure priorities.

Hon. Mr. Rhodes: Make us a speech about direct abdication of Barrett's responsibility.

Mr. Williams: In an effort to expand and carry forward the thrust of the 1975-1976 restraint initiatives, which the government announced in October, it was determined we would endeavour to restrain our growth in spending to a maximum of 10 per cent. I have to re-emphasize this because I think the point has been lost due to some of the side remarks which have been made, usually by those who are most in need of being refreshed as to the factual situation.

The government has endeavoured to restrain its growth in spending to 10 per cent, which is a dramatic divergence from the 20 per cent average annual growth rate of the past two years and the federal government's projected 1976 spending rate of 16 per cent.

Mr. Wildman: Well, you're unusually lucid tonight.

Mr. Williams: The choice of a 10 per cent ceiling was dictated by the need for this

government to restore a greater measure of control over its finances and to show leadership in adhering to the national restraint guidelines.

Mr. Davidson: Come on, it was a copout.

Mr. Conway: Have you compared your figures with Uganda and Tasmania?

Mr. Williams: In programme expenditures, priority has been given to support of essential services, thus necessitating an absolute reduction in expenditures in other areas.

Mr. Davidson: Abdicating the responsibility for a quarter of a million people.

Mr. Williams: In other words, the 10.4 per cent limitation factor has not been applied on a universal or global basis but rather on a selective basis based on priorities, and so it should be.

Mr. Haggerty: What about municipalities?

Mr. Williams: For those who talk about cutbacks, again let's put it into perspective by pointing out the extent of the increases being provided under the budget papers.

Mr. Davidson: Everyone knows what they are. Don't describe them.

Mr. Williams: I think perhaps that is a bit of false bravado coming from the other side of the House.

Mr. Davidson: That's not false bravado.

Mr. Williams: I would think, Mr. Speaker, that it should be clearly pointed out that the payments toward post-secondary education this year will increase 15.4 per cent to accommodate the rapid increase in enrolments. Spending in the justice field will grow by 19.1 per cent in recognition of the demands for improved services in the area of law and order.

Mr. Conway: Speaking of enrolments, have you thought about Dale Carnegie?

Mr. Williams: To provide the funds for the higher growth areas other lower priority programmes have had to be cut back severely.

For instance, Mr. Speaker, the level of activity in provincial road construction will be reduced absolutely. For those who suggest that the provincial government has withdrawn from its support of the local governments, I would remind the critics that transfers to local governments in 1976 will increase by 7.8 per cent—

Mr. Davidson: Ask the municipalities what they think.

Mr. Williams: —or some \$225 million over the previous year's support level.

Mr. Davidson: Ask the municipalities what they think about it. Go talk to your own municipalities.

Mr. Speaker: Order, please.

Mr. Williams: In the past few years, Mr. Speaker, the province has financed many provincial-municipal programmes on the basis of open-ended formulas. However, this government has determined that continuation of this practice would not encourage government restraint in spending at the local level, which is needed to complement Ontario's own actions.

Mr. Conway: Oh really, what does Lorne say about that?

Mr. Williams: Mr. Speaker, one of the other most difficult political actions to take with the introduction of the budget was the one dealing with the human equation, that is members of the work force in the public sector. It is not without difficulty that the government has seen the need to apply restraint in that area; to limit, and in fact freeze, hiring of additional staff.

Mr. Davidson: Are you the apologist for those actions?

Mr. Williams: The provincial record of manpower restraint, of course, compares very favourably with that of the federal government. Federal manpower statistics show that a 13.6 per cent increase over four years existed at the federal level, as compared to a reduction of four per cent in Ontario.

Mr. Davidson: So what's the relationship?

Mr. Conway: What are you talking about? Sorry that's an unfair question.

Mr. Williams: Mr. Speaker, sometimes I can understand why some people are in the back benches and some people are in the front benches.

Mr. Davidson: That's why you are there.

Mr. Conway: John, that wasn't very well thought out.

Mr. Speaker: Order, please. The hon. member will continue without being provocative.

Mr. Davidson: They send us back-benchers to look after you back-benchers.

Mr. Williams: A series of internal cost control measures have been undertaken, Mr. Speaker, which are significant and which are having a desirable impact on the government restraint programme as far as its own direct involvement is concerned. As I mentioned a moment ago, one is the immediate freeze on replacement staffing on all internal administrative functions. Another was an immediate moratorium on new or renewed contracts for management consulting and organizational planning.

A further significant reduction, Mr. Speaker, that I don't think really has been touched upon or made light of, is the fact there would be a 10 per cent reduction in data processing budgets, which are a very significant factor in the overall governmental operation.

Mr. Davidson: Explain it to us. We back-benchers don't understand.

Mr. Williams: These are some of the key areas that have already had desirable results and are contributing in no small way to the success of the programme.

Mr. Conway: I knew it would happen; Mackenzie King has left. It's just Darcy at the till.

Mr. Williams: In summary, the government's internal economy drive has generated substantial savings of some \$265 million.

Mr. Davidson: John, the lights are still on.

Mr. Williams: One of the other significant areas of cost saving is related to the savings that will be brought about—

Mr. Conway: Keep going, the lights may go out.

Mr. Speaker: Perhaps the hon. member should refrain until the sound effects cease?

Mr. Conway: Intervention of the gods.

Mr. Davidson: Even the building can't stand it any longer.

Mr. Williams: I'll endeavour to do so. It's unfortunate that the verbal interruptions have to be reinforced by artificial means.

The other area of significant cost saving, of course, has been in relation to the Ontario Hydro capital requirements. It was not without a great deal of consideration that the government, working with Ontario Hydro, brought about a modification of expanded programmes which have resulted in additional savings from the cancellation of the Bruce heavy water plant C, as well as the slowing

of the construction of the Wesleyville, Darlington and other power facilities, as well as the reduced capital spending on lines and transformers.

Mr. Davidson: Put it in the proper perspective.

Mr. Williams: The concern I have, however, is that, in fact, we are not being penny wise and pound foolish, because I know the select committee is involved in a most crucial consideration of the whole Hydro overview as it relates to the well-being of this province as far as being self-sufficient in the use of conventional power sources now and into the immediate and foreseeable future. It is in this area that I think other directions have to be taken.

While restraining the expansion of the Hydro programme we must not lose sight of the absolute need to expand that programme to ensure self-sufficiency by 1980 for the people and the economy of the Province of Ontario. I think in this area, while the budget doesn't dwell on other considerations, other than the conventional sources of hydro-electric power, which fortunately we are blessed with in this province because of our geophysical conditions and the relatively large quantities of water available to us, so too I think the government should be directing itself to the most conventional, yet to date economically unextractable, sources of energy that exist; namely, energy related to solar and wind energy.

[9:45]

Mr. Conway: What was that about wind energy?

Mr. Williams: These are new areas that governments in all countries are looking to as a potential replacement source of energy. Indeed, we are starting to find there are very few nonrenewable energy resources left that will carry us through the end of this century, and we must, therefore—I think it is imperative—embark upon a crash programme to find replacement sources of energy for the non-renewable sources that are fast being consumed.

Mr. Davidson: You are talking about domestic sources?

Mr. Williams: In this area, again I come back to a field of energy that has barely been touched upon and yet which has been with us all the time. It's a question of making it economically feasible to extract and use in our society today. The Minister of

Energy (Mr. Timbrell) highlighted the need—

Mr. Speaker: Order, please. An hon. member has asked for a quorum count.

Mr. Reid: That wasn't very nice.

Mr. Speaker ordered that the bells be rung for four minutes.

[On resumption:]

Mr. Williams: Mr. Speaker, I was commencing to direct the attention of the House to the alternative forms of resource energy that we, as a government, have to look to for the immediate and long-term future because no assurance has been given to us to date by Ontario Hydro officials that we can become totally self-sufficient in relying upon the most traditional source of energy we have available to us in the province. So initiative has to be taken at all levels, provincially and federally, to expand the area of alternatives available to us. There appear to be only three outside of the combustible fuels and hydro-electric energy. Those are in the areas of—

Mr. Conway: Will you amplify your remarks?

Mr. Cassidy: Candle power, wind power and Williams power.

Mr. Williams: —solar energy and, of course, atomic power.

Mr. Wildman: What about wind power?

Mr. Williams: These appear to be the only resources that will carry us through the end of this century in assured quantities. It is a question of how to economically harness those alternatives so that they can be usable, not only in massive quantities but on an individualized basis.

Mr. Conway: Are you saying you could be replaced by a fan?

Mr. Williams: I think the concern of this government in this area has been emphasized by our own Minister of Energy when he was addressing the select committee enquiring into Ontario Hydro's proposed bulk power rates back in March of this year. The minister spent a goodly portion of his time in analysing these alternative sources of energy.

Mr. Conway: Lent is over. We have all done our penance.

Mr. Williams: At that time, the significance of those remarks, while they may have been

contained in committee reports, were not to my knowledge put on the record in the House. I think they are of such significant importance that that oversight should be corrected at this time.

Mr. Conway: What a man to do it.

Mr. Williams: So I will make reference to the comments made by the minister and the three areas of concern he felt this government should be taking some initiative in, and was taking some initiative in.

Mr. Wildman: I thought Darcy made this—

Mr. Williams: One, of course, was the area of solar energy. This really breaks down into two components: one is reliance on the energy from the sun and the other is reliance on energy from wind which is created in turn by the actions of solar power. The minister pointed out at that time that a report on wind energy was about to be introduced. It had been commissioned by the Minister of Energy and Ontario Hydro as a joint effort, and it indicated there was a concern about the viability of the solar application for wind-generated energy, and concern whether it would be economically feasible to introduce.

The experimentation has been continuing and will continue, although the comments made by the minister at that time were not overly optimistic that it could be brought into service on a massive economic scale. Nevertheless, Mr. Speaker, the minister did point out that—

Mr. Cassidy: You know he is a resource for Ontario Hydro that they never thought of.

Mr. Williams: —there is a use for wind energy—

Mr. Roy: You are right.

Mr. Williams: —and there is some commercial viability to the use of wind energy—

Mr. Reid: If you could bottle that, John, you would be a rich man.

Mr. Williams: —and in fact within the next few months in the Mud River area in the northern part of Ontario there will be somewhere in the neighbourhood of 200 residential units which will be turning for the first time to the use of energy through wind propulsion. I think this is a significant breakthrough in that heretofore those areas have enjoyed no energy source at all.

The experimentation that is going on is international in scope. What concerns me is that while this province has shown some

initiative in this area, in wind experimentation and in solar energy—

Mr. Davidson: You'll fill this Hansard all on your own.

Mr. Williams: —we recognize we do not have the benefits of 250 or 300 days of sunlight in this area of the world, as are enjoyed in the more southern climes and as such our reliability on solar energy is not likely to be as great as in other areas of the continent.

However, I think it is ironical that the federal government in its national energy policy had the audacity to impose the significant surcharges at the wellhead and at the pumps on oil, and at the same time introduce into its research and development programmes as to alternatives for energy, a mere half-million dollars for 1976-1977, to be applied solely toward solar research and component development.

Mr. Reed: Tell us what you did.

Mr. Williams: Talk about an imbalance of priorities; that surely has to be a classic example thereof. By contrast, I think it's significant, and so it should be—

Mr. Reed: You're no better.

Mr. Williams: —that while the federal authorities in the United States, and in the private sector as well, are investing substantially more sums of money into these areas of research, it only highlights the limited interest and concern that the federal government appears to have in developing these resources which are so essential—

Mr. Reed: What has your government done?

Mr. Williams: —for ensuring a continuity of our well-being and enjoying the standards of living which we have come to enjoy and take for granted—

Mr. Reed: Fifty thousand dollars last year.

Mr. Williams: —based largely on the availability of energy for our recreational and industrial and commercial needs.

Mr. Conway: I heard Lorne Henderson got a Canada Council grant to look into that.

Mr. Speaker: Order, please.

Mr. Williams: For instance, in the United States, the energy research and development administration is working on a number of alternative sources of power, not only from

solar energy, but from ocean currents, as well as heat beneath the earth, as well, of course, as from the wind.

Mr. Wildman: You have been ebbing and flowing all night.

Mr. Williams: The National Aeronautics and Space Administration in that country—

Mr. Conway: The speed limits don't apply to your speech.

Mr. Williams: —has suggested or concluded that the wind power programme, if pursued in the United States, will likely, by the year 2000, generate energy that will represent somewhere between five to 10 per cent of the nation's electrical resource.

Mr. Reed: And your government won't have contributed one nickel.

Mr. Good: You didn't have to inaugurate the wind power programme tonight.

Mr. Speaker: Order, please.

Mr. Davidson: Now that we have the statistics for the United States, what about Ontario?

Mr. Conway: Filibuster, filibuster.

Mr. Davidson: What is your government doing in that same field?

Mr. Conway: Speech.

Mr. Williams: In the area of direct solar energy and an economic viable use of that commodity, again research is being conducted at an ever-increasing rate, at least in the United States.

Mr. Davidson: What is your government doing?

Mr. Speaker: Order, please, order.

Mr. Williams: Compared to the half-million dollars being put forward by the federal government of this country, the private sector in the United States alone is putting \$90 million into solar research.

[10:00]

Mr. Davidson: Tell us what the Conservative government in Ontario is doing.

Mr. Williams: It is a shocking indictment of the lack of seriousness being given by the public sector in this country.

Mr. Davidson: On the part of your government.

Mr. Reed: On the part of this government.

Interjections.

Mr. Speaker: Order, please. The hon. member will have an opportunity later if he wishes to participate, thank you.

Mr. Wildman: I'm not so sure.

Mr. Conway: Have you offered your services as a windmill?

Mr. Davidson: If he keeps talking we may never have an opportunity.

Mr. Speaker: I think, with fewer interruptions, things would go along faster, thank you.

Mr. Williams: I point out, for the benefit of the laymen in the House, the significance of the resource available from solar energy. It has been pointed out by one of the learned experts in the States that the solar energy falling upon the Arabian peninsula in one year is greater than twice the oil reserves of the entire globe.

Mr. Reed: What are you doing about it?

Mr. Speaker: Order, please.

Mr. Williams: To some people that may sound trite but I think it's of some significance.

Mr. Conway: Who wrote this speech?

Mr. Wildman: The Shah of Iran.

Mr. Speaker: Order, please.

Interjections.

Mr. Williams: It is anticipated that by the end of the century, solar technology could fill about 10 per cent of the United States energy needs as I had indicated earlier. That is, perhaps, a more optimistic prediction than that made by our own Minister of Energy who, while being prepared to pursue research in these areas, had suggested that in the area of the use of solar energy, total electrical consumption would be increased by less than one per cent in this country. However, I think it can be appreciated that the availability of daylight hours and solar energy is far less favourable at this latitude than it would be in the southern climes of the United States.

Interjection.

Mr. Speaker: Order, please. Would the hon. member for Cambridge please restrain himself?

Mr. Williams: It is significant, notwithstanding that we are embarking on our own initiative in areas of research in trying to harness economically these alternative sources of energy and it must, I stress, it must be done.

Mr. Conway: Have you offered your services?

Mr. Speaker: Order.

Mr. Williams: We have, of course, the project being undertaken in King township, just north of Toronto, where we have Provident House. This is, to my knowledge, the first total solar home being brought onstream on the basis of experimentation at the cost of the research resources of this province.

Mr. Conway: Mr. Speaker, this is cruel and unusual punishment.

Mr. Williams: In addition thereto, we have started, in conjunction with the Ministry of Housing, a solar-heated senior-citizens apartment building in Aylmer, Ont., which also, I would hope, will produce a great deal of important statistics which will tend to determine the viability or otherwise of expansion of the programme.

Mr. Reid: Ten years late.

Mr. Williams: It is heartening that this government at least is prepared to take some initiative in this area of research which is much needed and, I suggest, from a time point of view, it is imperative. The federal government, I would hope, would start to take greater initiative in this direction if we are not to find our own resources exhausted by the end of the century with no alternatives available to us.

I would like now to move further into the budget paper.

Mr. Davidson: I have a member here who will contradict what you have just said if you give him the chance.

Mr. Williams: I turn now to budget paper D which deals with the Ontario labour market, an area of great concern to all of us because the well-being of the work force in this province, of course, will determine the well-being of our economy and populace as a whole, and will ensure, or otherwise, on a continuing basis the high standard of living that we have come to enjoy in this province.

I would point out, as I referred to earlier in speaking about the actions taken by this government in 1975, that as a result of those actions and stimulation of the private sector

through the traditional economic pump-priming, employment opportunities in Ontario did, in fact, grow during 1975 notwithstanding the recessionary period, and that less than one-half of the increase was required to fully absorb the growth of 139,000 in the number of workers at that time.

The unemployment rate in Ontario in 1975 was initially—well, throughout the term as I indicated earlier—6.3 per cent, or as adjusted, 6.9 per cent, and was below the national average of 7.1 per cent, which I think was very significant, bearing in mind that Ontario is the province that absorbs the greatest part of the work force in the country.

Yesterday, during the private members' hour, there was a resolution before the House calling for the establishment of a committee comparable to the former Smith committee that dealt with tax reform, and that particular issue was debated at some length and dealt primarily with tax reform as it related to taxes imposed on real property at the municipal level. It was suggested that no action had been taken by the government during a long seven-year period, that purportedly the Smith report had lain dormant during that period of time when, in fact, as I pointed out in the House at that time and again this evening, the province as a result of that report took appropriate initiative to correct some of the inequities that were disclosed by that report.

In particular, the need was pointed out for the responsibility for equalization of assessment to occur, and that the only way in which this could be attained was to give that responsibility to the provincial government as one which could apply equalization of assessment on a uniform universal basis, whereas heretofore, or prior to the time of the Smith report, as is well known, the responsibilities were left to the local municipalities to determine their assessments based on local needs that were considered in isolation of broader needs throughout the region and, in fact, throughout the province.

So, quite properly, the province was swift to move in that area to assume the responsibility for assessment and to establish the provincial regional assessment offices so that a more comprehensive balanced programme could be introduced.

Mr. Wildman: I am determined to stay here as long as you.

Mr. Mackenzie: We are willing to suffer.

Mr. Williams: In conjunction therewith, there was a need, as pointed out in the

Smith report, to provide greater equities in the field of taxation as far as real property was concerned. One of the areas in which they felt a substantial inequity existed was in the area of properties that were exempt from taxation. They pointed out the many properties that fall into that category which were therefore depriving the municipalities of substantial sums of tax revenue that would ordinarily be available to them through the realty tax process.

So it was with this concern that the resolution had been introduced into the House, and, I point out, prior to the introduction of this budget. It was a motion that has now proved to have been introduced prematurely preceding the budget and which has now therefore proved to have become redundant because of the measures that are being proposed within budget paper E, which in itself contain some 15 tax proposals that will revolutionize the realty tax basis in Ontario and build a foundation for a new property tax system based on reassessed values and equalization of assessment.

It was suggested that a new select committee of the House be set up for this express purpose and the budget paper points out that a commission will be appointed to receive submissions and to make recommendations on the new property tax system. While I didn't have the chance to mention this yesterday, I think it needs to be stressed that the establishment of a commission, rather than a select committee of the House, will permit the review to be undertaken much more expeditiously, I would suggest, and to meet the tight time parameters that have been prescribed in the budget paper by the Treasurer to ensure that the legislation can be prepared in the spring of 1977 so as to permit the new tax assessment notices for 1978 to be introduced.

The concerns that have been expressed in that resolution have been largely dissipated as a result of the 15 significant and substantial tax proposals that have been introduced in budget paper E.

Mr. Mackenzie: Name one.

Mr. Williams: Primarily the main thrust of the proposal is to provide a reduced share of property taxes on residences in Ontario. Originally it was proposed that there would be a 100 per cent levy based on market value. A reassessment of that proposal in the light of escalating property costs and shifting in market values has made it clear to our staff people and to the Treasurer that it is necessary to reorder the priorities of levy, whereby

the proposal is now that every residence should be taxed at 50 per cent of market value with all other property being taxed at 100 per cent of market value.

[10:15]

This is a substantial shift from what had been originally proposed and, as I suggest, completely dilutes the implied criticism in the resolution that was before the House yesterday that there was an inequitable burden of local and regional taxes that would be falling on the homeowner. Certainly that proposal will completely diffuse that criticism and the substantial tax base will, nevertheless, be reinforced by reason of the fact that in addition to the market value on all properties, other than residential, being taxed at 100 per cent, business taxes on top of that would be applied on the basis of a 50 per cent levy.

In essence, therefore, commercial and industrial properties would be bearing a 150 per cent tax levy as related to the 50 per cent of market value levy being imposed against the hard-pressed residential homeowner. This, indeed, is a most equitable shift and recognition of the problem by this government. In conjunction with that, the present practice of levying different mill rates on residential and commercial properties will be discontinued, and a more global formula will be introduced that again will simplify the process, administratively speaking, and provide greater tax policy flexibility. This, indeed, is a welcome relief.

In the resolution that was before us in the House yesterday, one of the implied criticisms was that there were no new sources of revenue for local and regional governments to fall back on to support their revenue base. It's pointed out in the budget paper, of course, that the government will now be permitting municipalities to move into two new key areas of tax revenue; that is, the area of farms and managed forests, where there will be a significant resource for tax revenues, and the area of what were heretofore tax-exempt areas. These are two very significant areas in which revenues will be becoming available to local municipalities that had been denied to them in the past. Complementing and reinforcing that will be the fact that all public properties, except residences, will be subject to payments in lieu of taxes equal to full taxes at 100 per cent of market value. This will include, of course, properties such as universities, residences, chronic hospitals and homes for the aged, so they will be paying their fair share of taxes. The inclusion of all local public

property in the property tax base will mean, of course, that local governments will be taxing their own facilities such as schools and parks.

It is hoped that this principle of full taxation at market value will be able to be applied as well to federal government properties so as to enrich again the source of revenues to which the local municipalities should be entitled and which, to this point in time, has been denied them.

Mr. Wildman: But you reneged on what was in your Edmonton commitment.

Mr. Williams: The taxes that will be paid by the government property school support initiative will now provide that the levy in lieu of taxes, which heretofore had excluded a levy applying to school taxes, will now be included. This again is a significant enrichment of the taxes that will be paid by government-owned institutional facilities.

Another very significant area of improvement is in the area of business assessment. As we are all aware, the complexities of applying business assessment in the past have been compounded by the different percentage factors applied against different businesses. Under the proposals before us that the commission will have to consider is the fact that all real property used for the purpose of a business, including government administrative facilities, will be subject to an additional assessment of 50 per cent of market value for business taxes; but it will be under a uniform percentage figure.

The single rate of 50 per cent for business assessment will replace the current rate of 25 per cent for car parks, 30 per cent for retail stores, 50 per cent for professional offices and retail chains, 60 per cent for industry, 75 per cent for financial and wholesale businesses and 140 per cent for distilleries. The tax on business assessment, however, will continue to be a tax on the occupant rather than on the owner of the property.

So these are significant ways in which more equitable sources of revenue will be made available to the local municipalities to minimize the pressures to which they're continually being subjected. This is their sole source of support outside of the provincial and/or federal grants or subsidies they receive. It will strengthen their revenue base and provide greater equity on the pass-through.

I would like to come to budget paper F which dwells on an issue that is of profound importance. It is the one paper in the budget

that contains a degree of pessimism and so it should.

From an Ontario perspective, it appears that the auto industry is entering into a critical area of chronic imbalance in providing job opportunities and productive capacity in this country as related to our counterparts in the United States. I find it shocking that it took the initiative of this government to bring forward the first real assessment and critique on the state of the auto industry since 1970. It seems that it should have been the federal government that was taking this initiative, because of the international implications of the Canadian auto pact.

I'm sure that the members of the House from the areas of the province where the auto industry is the mainstay of their economy will in turn be speaking at some length and sharing these concerns with the government members as to the direction in which the auto industry is going in this country.

More specifically, while it is anticipated that the automobile is and will continue to be a basic and important part of family and business life in Ontario, it is questionable whether the industry will remain as healthy as it has in the past. It's not because of some of the negative attitudes that have been shown at all levels of government toward the provision of the appropriate roadways and thoroughways to provide the motoring public with the facilities to use their automobiles and to permit the commerce of the province and the nation to move. More directly it is the attitudes within the auto industry itself and the employees involved therein.

The importance of this paper is highlighted by the introductory observation that 90 per cent of the Canadian automotive industry is located in Ontario, which I referred to earlier in my remarks this evening.

Mr. Wildman: I think that was about 8:30 p.m.

Mr. Williams: You are absolutely correct. What is of greater significance is that the paper is quick to point out that the auto industry in Ontario accounts directly for over 12 per cent of wages and indirectly for one out of every six jobs in this province.

Accordingly, it is obvious that the future health of this industry is of vital concern to the Ontario government.

Mr. Reid: That's almost what the Treasurer said.

Mr. Williams: With the short-term recovery of the industry now under way, a number

of serious longer term problems in the Canadian industry need, however, to be identified and dealt with. As I pointed out a few moments ago, the Ontario government believes that the time is now right for a full review of the facts concerning the performance under the auto pact and the gains and losses to Canada. Budget paper F is the first such presentation, as I indicated a moment ago, of a comprehensive Canadian review of the auto industry. The analysis that has been made in this paper is that while growth has been substantial in the initial period under the auto pact, major problems have in fact developed since 1969.

As we are all aware, based on a mutual desire to reach a lasting accommodation on the automobile trade situation, Canada and the United States launched a rather innovative free trade undertaking with the signing of the auto pact back in early 1965. The record discloses that assembly and parts manufacturers moved quickly to modernize Canadian production facilities to take advantage of those opportunities under the pact. Certainly during the first five years of that pact the industry adjusted to its new environment with significant gains being made in the auto industry, to the benefit of our economy and to the work force in this province.

However, since the advent of the 1970s, serious problems have emerged and a number

of these significant gains have been eroded. In line with their commitment to strengthen the Canadian production facilities and integrate them into the North American market, members will recall that auto assemblers undertook a major investment programme at that time.

Mr. Speaker: Would the hon. member find it convenient to break his remarks at this point and move the adjournment of the debate?

Mr. Reid: It was convenient at 8:01 p.m.

Mr. Williams: Okay, Mr. Speaker.

Mr. Williams moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, before moving the adjournment of the House, I think the members are aware that on Thursday after question period we will continue with the estimates of the Ministry of Revenue and, if they are completed, follow with the estimates of Management Board.

Hon. Mr. Wells moved the adjournment of the House.

Motion agreed to.

The House adjourned at 10:30 p.m.

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Third Session of the 30th Parliament

Thursday, April 29, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 29, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

JUVENILE DETENTION FACILITIES

Hon. J. R. Smith: In my absence, on Tuesday, April 27, 1976, the hon. member for Hamilton West raised a question concerning current practice in the Ministry of Correctional Services in the use of dissociation units or segregation rooms. I will attempt in this statement to set out for the hon. members current practice, but, initially, I think it would be beneficial to remind members of the range of young persons for whom the training school programmes are designed.

Currently, approximately 900 children are made wards of the Ministry of Correctional Services each year. For the most part, they have committed an offence which, had they been adults, would have led them through the adult court process. Fortunately, it is increasingly possible, because of the development of agencies in the community, for the police to divert many young people into community placements. However, as a consequence, my ministry to a growing extent is left with a training school population which represents the most difficult children from our Ontario communities. A great many of these young people have tested and tried every type of community intervention, from foster homes to group homes to psychiatric care. For the most part, they have truly been out of control in our communities.

With our continually improving training school programmes and opportunities for increasingly intensive follow-up supervision in the community in group homes or foster homes, and with the assistance of our probation and after-care service staff, we have decreased the average length of stay in our schools to approximately seven months.

With the population of young people whom I have described receiving the attention of a well-trained and competent staff, my ministry uses placement in segregation areas for a variety of selected purposes. Approximately

half of these usages relate to children who have just been returned from an AWOL, from a group home or from a school. In other cases, our policy dictates that only in rather extreme cases may students be placed in segregation or quiet rooms.

For all children, the upper time limit for placement in a segregation room is 48 hours and this occurs only on the authority of the superintendent or his designate. Beyond this time, and for very exceptional cases, the superintendant must receive authorization from the regional administrator of schools. In most instances, during the time a young person spends in a quiet room, contact is made with him or her every 15 minutes.

The quality of interaction at these intervals is of course dependent upon the needs of the child.

Mr. Speaker: Order, please.

Mr. Lewis: I'm sorry. Could there be a little more quiet? The statement is an important one.

Mr. Speaker: I'm having difficulty hearing too. If there could be fewer private conversations things would be more satisfactory.

Hon. Mr. Henderson: Practise what you preach.

Mr. Speaker: The hon. minister.

Hon. J. R. Smith: Thank you, Mr. Speaker. If a child is seriously upset, the supervisor would remain with him or her and attempt to engage the young person in conversation. If, on the other hand, the young person has requested temporary separation from his school group, possibly to bring himself under control, he will be afforded the opportunity for increased privacy unless this is otherwise indicated.

A variety of situations arise that lead to separation of the child from the larger population in any school. As the question raised relates to Pine Ridge Training School in Bowmanville, the statistics which I will quote will reflect events in that institution. For the time period, Jan. 1, 1975 to Dec. 31, 1975, a total of 101 usages of segregation placement occurred. Separation occurred for

a variety of reasons, ranging from the management of individuals who had just been returned from an AWOL situation to assaultive behaviour within the school.

Of this figure, almost one half represented cases of children who had returned from AWOL situations and required a settling period and medical investigation and clearance often related to withdrawal from drugs. Approximately 10 per cent had been placed in protective segregation, often at their own request. The remainder included cases of children whose placement in segregation was a result of assaultive or other seriously disruptive conduct in the school.

During this 12-month period no child spent any more than 48 hours at any one time in the segregation area. On the average, 8.4 boys per month were placed in the area; if the numbers relating to protective segregation and returnees from AWOL are removed, fewer than four boys per month were admitted to segregation. It should be noted that the figure of 101 records the number of individual admissions. The actual number of wards involved was 58 and the average length of stay was approximately 18 hours.

Remarks have been made regarding the physical aspects of the segregation facilities. For the sake of his own safety and that of others, a young person in a state of uncontrollable behaviour cannot be surrounded with objects which he can utilize to harm or injure himself, his peers or staff.

To ensure the appropriate use of segregation facilities, each time a ward is placed in segregation a report must be prepared for and signed by the superintendent. This report must include the reasons for admission, a record of the times the ward was checked by staff and when meals, showers, etc., occurred, as well as the time of return to the regular programme. On a monthly basis, each superintendent must submit to the regional administrator a record of the use of segregation. The use of segregation is decreasing in our institutions as our supervisors become increasingly more versatile in handling children and intervening before crises develop.

Members may wish to be reminded that the Training Schools Advisory Board, which reports directly to me, visits each of our schools on a regular basis and provides an excellent appraisal and critique of the total programme and practices in each school. In addition, our inspection and standards branch provides a regular inspection of each school, plus investigative services when specific incidents occur.

In conclusion, may I reiterate the long-standing invitation of my ministry and I to all members of this House to visit all the schools. Such visits serve to demonstrate directly the extensive programmes within our facilities, the nature of the children for whom we care and the competence and the dedication of our staff. As ministers before me have remarked in this House, many questions are more readily answered by direct observations of our school programmes.

Great changes have occurred in our schools over the past 10 years as the numbers of children have dropped dramatically and as our supervisory staff group has increased both in number and in quality. Our staff now have much more opportunity for intervention on an interpersonal level which, I am sure the hon. members will agree, is usually the critical factor in reaching a troubled young person.

KASHECHEWAN FLOODING SITUATION

Hon. Mr. Bernier: Mr. Speaker, during the flooding emergency earlier this week at Kashechewan in the James Bay area, my ministry fulfilled its responsibility as the lead provincial ministry for such emergencies by coordinating and directing the evacuation of the 330 residents of the threatened community and having them received at Fort Albany.

For the evacuation, which was well reported by news media, the ministry brought in three commercial helicopters that were available at Moosonee—

Mr. Lawlor: You are being stung.

Mr. Speaker: Order, please.

Hon. Mr. Bernier: —and arranged for three others to be on standby for additional support.

Mr. Lawlor: For eight years you did nothing.

Hon. Mr. Bernier: The Ontario Provincial Police helicopter was also utilized—

Mr. Lawlor: Did you hear me?

Mr. Speaker: Order, please.

Hon. Mr. Bernier: No, I wasn't listening. I happen to have the floor. If you want to speak after, go right ahead.

Mr. Speaker: The hon. minister has the floor, please.

Mr. Cassidy: You are being very testy.

Hon. Mr. Bernier: The Ontario Provincial Police helicopter was also utilized during the emergency and, as is the custom, our provincial police have given us complete support and assistance throughout.

At the present time, arrangements have been made to move a number of the evacuees to Moosonee, because the water and the sanitary facilities at Fort Albany are being severely taxed and because there still is the potential of further flooding at both Fort Albany and Kashechewan.

My ministry staff is also maintaining a close surveillance on the river and ice conditions at Attawapiskat and Winisk where other residents may be affected if flooding problems become serious in those areas later next week.

I am particularly pleased with the co-operation received from the federal government in ensuring the safety and the welfare of the residents of the threatened community. In this connection, may I remind the members that my ministry's role is essentially a co-ordinating one as well as taking the lead in responding to flood and forest fire emergencies.

As the situation in the James Bay area develops, it is our hope that on the federal level we will be able to count upon the Department of Indian Affairs and Northern Development as well as the Departments of National Defence and Health and Welfare to assist us, if the need arises, for possible additional evacuations and for the necessary after-care for the victims, including return transportation, rehabilitation and maintaining health conditions.

I know we will have the support of our sister Ontario ministries in this endeavour, particularly those of the Solicitor General and the Community and Social Services ministry.

It is my intention to fly to the area tomorrow accompanied by my colleague, the Chairman of Cabinet (Mr. Brunelle) who, as members know, is the local member for that very large area, to assess conditions at first hand and to investigate the possibility of emergency relief measures with the local representatives.

Mr. Speaker: Oral questions.

JUVENILE DETENTION FACILITIES

Mr. Lewis: Mr. Speaker, first, a question of the Minister of Correctional Services, in two parts: No. 1, has he seen and can he comment on the grand jury report on Pine Ridge which is distinctly at variance with his own

glowing view of what happens within that training school?

No. 2, given the intermittent evidence of continuing problems in the training school setting, might he be willing now, after all the years of pressure, to consider their complete discontinuance and substitute for them settings which are far more therapeutic and generous in the provision of services to troubled kids?

[2:15]

Hon. J. R. Smith: Mr. Speaker, I don't have personal knowledge of the grand jury report to which the member has referred.

As to the second question, I'd say the counts are down dramatically right across the system, other than at Cecil Fracer School in Sudbury. We have developed a number of very fine group homes and foster homes across this province to provide an alternate setting. Several weeks ago I announced the closure of the school in Cambridge, Churchill House. Eventually it is hoped that the Hillcrest facility in Guelph will likewise be phased out.

There are many articles in a number of publications this month related to training schools. It should be kept in mind that many of the incidents to which they are referring are those that happened five, six or eight years ago when counselling wasn't high within the system. I assure the hon. Leader of the Opposition that from my personal observations in visiting these schools it is vastly different today than it was 10 years ago.

Mr. Lewis: Oh, I am sure that is so but it doesn't mean we can't improve them today.

Mr. S. Smith: Supplementary: How can the Minister of Correctional Services tell us in such a calm tone that we shouldn't worry about the 101 episodes of solitary confinement because half of them were because of children away without official leave who needed a "settling in period when the got back?" The notion that one requires solitary confinement in order to settle in after running away from training school is something that does not do credit to this government.

Interjections.

Mr. S. Smith: How can the minister be so calm about simply telling us that half the time these people are in solitary confinement it is merely for having run away?

Hon. J. R. Smith: There is a policy for automatic segregation and I think a very valid one. A youngster might have been on drugs and be awaiting a visit from the physician. Secondly, very often youngsters return-

ing could very well have been in a fight or there could be abrasions on their body.

Mr. Warner: That's an understatement.

Hon. B. Stephenson: If they are not left alone, they could—

Hon. J. R. Smith: In turn, there could be an accusation that a member of staff or another ward in the school had assaulted them.

Mr. S. Smith: That makes no sense at all.

Hon. J. R. Smith: So the policy is that they have a medical examination as soon as possible when they return.

Mr. S. Smith: I am a physician.

Hon. Mr. Davis: Physician heal thyself.

Mr. S. Smith: Ask the lady next to you.

Interjections.

LOTTERY TICKET DISTRIBUTION

Mr. Lewis: A question, if I may, to the Attorney General: Might the Attorney General comment more fully on the charges relating to the distribution of lottery tickets which have been laid by bringing the House into its confidence about when the investigations began and on what initiation they began? Was it as a result of questions on distributorship within the House? Was it a result of evidence brought to you by Mr. Pollock? Was it as a result of Dorothy Lipovenko's articles in the Globe; and why was the RCMP involved so fundamentally rather than the OPP?

Hon. Mr. McMurtry: The investigation was initiated by my ministry as a result of information brought to it by Marshall Pollock. As to the involvement of the RCMP, the RCMP have a number of officers who are permanently stationed in Toronto who are involved in white-collar fraud matters. It does not necessarily go across provincial boundaries. There is a very ongoing relationship between the ministry and RCMP officers, who often bring matters to be prosecuted to our ministry.

As to why the RCMP were involved rather than the OPP, I simply don't have that information at the present.

Mr. Lewis: Really, oh! By way of supplementary, could the Attorney General clear up again, more specifically, when the investigation began, when this information was brought to him. And could he tell us, as a

result of the investigation so far, the charges that have been laid and the charges that are pending, at least according to the Attorney General. Is he now looking at the propriety or authenticity of the distributorships across the province, to determine whether or not there are similar transgressions?

Hon. Mr. McMurtry: The investigation to the best of my information, commenced approximately two months ago. I can obtain better and more accurate information. I don't know the exact date, although I could find that out very easily; it was approximately two months ago. The Ministry of the Attorney General is not an investigative agency. If any matters are brought to our attention which might indicate criminality, we will assist in prosecutions. As to the propriety of the Wintario setup, I have no information on which to criticize the propriety of the setup, but it's certainly not a matter for the Ministry of the Attorney General in any event.

Mr. Cunningham: Supplementary: Does the Attorney General not agree that the time has possibly come for the government to give us the basis on which these Wintario distributorships are made?

Mr. Speaker: Order, please. That is not supplementary to the original question. The member for Cornwall.

Mr. Samis: Can the Attorney General clarify whether or not further charges are being contemplated, and if so, charges of what nature?

Mr. Yakabuski: We warned the minister a year ago.

Mr. Singer: Like Lebel in Sudbury?

Mr. Speaker: Order, please.

Mr. Singer: That's a good one, Paul.

Mr. Speaker: Order, please.

Hon. Mr. McMurtry: Mr. Speaker, there is an ongoing investigation and, therefore, there is the possibility of additional charges. I cannot state at this time that there will definitely be additional charges.

LEAD SMELTERS REPORT

Mr. Lewis: A question of the Minister of the Environment: Now that he has the latest and the most conclusive report from the lead data analysis task force, is it not time, four years after the event, that he finally accepted the suggestion made by my colleague, the

member for Riverdale (Mr. Renwick) on at least half a dozen occasions in this House, that the topsoil be changed in all the area in the vicinity of the plants in order to remove once and for all the hazard that comes from that soil?

Hon. Mr. Kerr: Yes, Mr. Speaker, the report to which the hon. member refers is not the latest and most conclusive report. This is a task force study. I am hoping the report that is going to be filed, resulting from certain hearings during the past year, will, in fact, be even more conclusive than this report. Both of them together, however, will be a complete report. Both reports will deal with the question of topsoil in the area of those plants in question, and if recommendations regarding removal or treatment of the soil are made we will be expected to act on it.

Mr. Lewis: By way of supplementary, what is the minister waiting for? Is the evidence not now sufficiently conclusive that he should finally do what he has been asked to do for years? Why doesn't he just initiate it?

Hon. Mr. Kerr: Mr. Speaker, I want to table both of these reports, and I expect to do it at the first of the week. Members haven't seen the hearing report as yet; hopefully that will be done early next week and then we will act on those recommendations.

ACCESS TO OMBUDSMAN

Mr. Lewis: A question of the acting Minister of Health: Does she think members of the staff of the psychiatric hospitals under her jurisdiction should have direct access to the Ombudsman, or should be able to reply directly to the Ombudsman if answers are solicited from them, without checking through higher authorities in the ministry?

Hon. B. Stephenson: Mr. Speaker, like any other citizen of the Province of Ontario, any member of any staff of any ministry, I am sure, should expect to have direct access to the Ombudsman.

Mr. Lewis: By way of supplementary, if the Ombudsman approaches a member of the staff of a psychiatric hospital, should that not be a direct transaction without a member of the staff going further?

Hon. B. Stephenson: If the Ombudsman is requesting patient records of a psychiatric hospital, I should think that there might be some special concern related to that request. I would expect that the psychiatrist or the staff member of whom the request is made

would have consultation with other members of staff, or of the ministry I would suppose, to decide whether in fact it would be appropriate. To release patient records is a different kettle of fish from almost any other kind of document, particularly psychiatric records.

Mr. Singer: By way of supplementary, does the acting Minister of Health believe that the members of her staff, the same as all the civil servants, are bound by the Ombudsman Act and have to act in accordance with it, without vetting what they are going to do with higher authority in advance?

Hon. B. Stephenson: Mr. Speaker, I am not a legal expert as is my hon. friend across the floor.

Mr. Yakabuski: He doesn't rate big retainers anyway, we know that.

Hon. B. Stephenson: There is some special status accorded to psychiatric patient records and those records are something which, perhaps, would have to be looked at in a different kind of way. I am not suggesting that any record requested by the Ombudsman should be dealt with separately or differently, except that this is a specific problem which I think might have to be. I'm suggesting that perhaps that possibility is there.

Mr. Lewis: A supplementary: Can the minister take a close look at what's on the bulletin board of the Hamilton Psychiatric Hospital, re Ombudsman investigations, saying that Dr. Maynard, director of the psychiatric hospitals branch, has informed the hospital that investigations by the Ombudsman will be made from time to time and that the information, when requested or compiled, must be forwarded to the head of the Hamilton Psychiatric Hospital before it is relayed further?

Can the minister indicate to what extent she intends to muzzle—not the minister—to what extent she will tolerate the muzzling of the right of individual civil servants to deal directly with Ombudsman staff?

Hon. B. Stephenson: Mr. Speaker, I'm sure that any directive—I have not seen that one, I will have to confess—to the staff of a psychiatric hospital is primarily in the interest of patient confidentiality and nothing more.

Mr. MacDonald: Not necessarily; the Ombudsman will respect that.

NORTHERN AND CENTRAL NATURAL GAS CHARGES

Mr. Lewis: A question of the Minister of Energy, Mr. Speaker. I ask it because it is

in the nature of a setup. The Minister of Energy, the member for Lake Nipigon (Mr. Stokes), and I are engaging in this pre-arranged question. I ask the minister: Is he going to investigate the installation charges for residential customers of Northern and Central Natural Gas?

Hon. Mr. Timbrell: Mr. Speaker, that was exactly as I wrote it.

Mr. Lewis: Actually, that's not fair. I added "is."

Hon. Mr. Timbrell: At the request of the hon. member for Lake Nipigon I did investigate and I'm pleased to report to the House, and through the House to the member and his constituents, that as of this morning Northern and Central Natural Gas has agreed to stop the practice, to withdraw it. It is going to meet with the staff of the ministry and of the Energy Board in the next few weeks to discuss the problem it has.

Mr. Lewis: Another victory for socialism.

Hon. Mr. Timbrell: For the moment, and I think permanently, the problem is solved.

Mr. Speaker: The member for Hamilton West.

Interjections.

Mr. S. Smith: This is a little better reception than your friends gave me yesterday, anyway.

PCB CONTENT IN SMELT

Mr. S. Smith: Mr. Speaker, my first question is directed to the Minister of Natural Resources. Is the minister planning to issue a warning to Lake Ontario smelt fishermen, advising them not to eat the fish from this year's catch because of the possibly excessive levels of PCBs?

Hon. Mr. Bernier: Mr. Speaker, I'd like to inform the House that the Ministry of Natural Resources—at least, the employee who made comments recently concerning PCBs, was basing his information on data gathered in 1974. The statistics are not valid because only 10 smelt were really analysed.

Mr. Cassidy: Only 10?

Mr. Breithaupt: That is not much of a sample.

Mr. Cassidy: Your restraint programme is going too far.

Mr. Ruston: I get more than that in my boots and I wouldn't want to eat them.

Hon. Mr. Bernier: The lab of the Ministry of the Environment is now testing a much larger number of these fish and the results should be known in a couple of days.

Mr. Singer: And you'll issue a warning in 1978.

Mr. S. Smith: Does somebody want a supplementary on that? I'm going to ask a separate question.

MERCURY CONTENT OF FISH

Mr. S. Smith: Another question of the acting Minister of Health: Now that the fishing season is upon us, has she been able to prevail upon the Minister of Natural Resources in any way so as to put an end once and for all to sport fishing for poisoned fish on the English and Wabigoon River systems and, once and for all, give some protection to the Indians and the families of the guides who live there and who have very high levels of mercury contamination? Can she persuade him to stop this fishing for poisoned fish?

[2:30]

Hon. B. Stephenson: Mr. Speaker, the hon. leader of the Liberal Party knows very well that the Ministry of Health has, in fact, informed the natives of Grassy Narrows and other reserves that they should not eat the fish from those rivers. They have been supplied with alternative fish sources and other protein foods in order to help them to overcome the possibility of eating fish from those rivers.

In addition, we have asked, in fact pleaded with, the resort owners to provide the guides with an alternative meal at lunch time—since that is the meal they are most likely to eat when they are out with sport fishermen—as an alternative to the fish which they might eat at that time. And we have also asked them to make sure that the guides do not take fish caught in the rivers home with them, so that neither will their families be eating those fish.

There is a limit, as the member knows, to the number of fish which the fishermen who are there as sport fishermen may take home with them. It is considered reasonable that they might eat, perhaps, one meal of fish per day while they are there for four or five days, and take the six-fish limit home with them. But as far as the guides are concerned, we have made every effort to ensure they will not have to use that source, fish, as their main

source of protein, or as any source of protein in their diet. Alternative sources have been provided for them.

Mr. S. Smith: A supplementary question: I appreciate the answer, but is the minister aware that the chief of the Whitedog reserve has made it a point to say that it's difficult for the guides to stop bringing home the fish to their families, even though their children's mercury levels are very high. The reason is that they see these Amercian fishermen coming and taking home carloads of fish to eat back home, and they don't see anything wrong with it. What kind of a sport is it to fish for mercury poisoned fish? Isn't it about time the minister put an end to it?

Mr. Speaker: Order, please. The hon. member is not supposed to be debating the matter; he is asking questions.

Mr. Cassidy: He is always debating the matter.

Mr. S. Smith: I enjoy debate.

Hon. B. Stephenson: Mr. Speaker, the fishermen who do arrive for sport fishing are not allowed to take carloads of fish home with them. As I have said, they may take six—which is one day's catch—that is all they are permitted to take home. The native people of that area, I am sure, have been very well informed about this; and I have great respect for them. I believe they are aware of the hazards. I believe they are aware of the alternative sources of protein. I believe they are aware that we are attempting to assist them in this area.

Mr. S. Smith: Forgive me, Mr. Speaker; I haven't yet developed the ability to debate in an interrogative tone—but it will soon come.

Mr. Samis: We will see about that.

CRANE-OPERATING HAND SIGNALS

Mr. S. Smith: A question of the Minister of Labour: Does she have some information about the fact that a standard set of hand signals exists, intended to ensure the safe operation of cranes on construction jobs? If she does, can she tell us whether she intends to have any licensing procedure or training programme to make sure that nobody will operate on a construction site as a lookout for a crane operator unless they are perfectly well aware of these hand signals?

Hon. B. Stephenson: Yes, Mr. Speaker, I am aware there is such a set of signals. I am also aware that it is the employer's responsi-

bility to ensure that the operator of that crane is in fact capable, knowledgeable and willing to comply with all of the rules and regulations before he hires that crane operator on any site.

Mr. S. Smith: A supplementary: It is not just a question of the operator, though. Does she feel that the licensing regulations are adequate with regard to those who act as lookouts for the crane operators, so that they know about it? She is undoubtedly aware of the coroner's jury investigation of a 29-year-old worker who died. The foreman who was giving the signals said he never even heard of these standard sets of signals, yet no charges were laid in this situation. Can the minister explain that?

Hon. B. Stephenson: Mr. Speaker, I am also aware that the Ministry of Labour has some concern about that remark made by the workman on the site, and that the labour services branch is presently involved in ensuring that other individuals on such sites will be knowledgeable about those signals.

OCCUPATIONAL HEALTH

Mr. S. Smith: Another question for the same minister but in a different capacity, now back to the acting Minister of Health: In view of the recent disclosure of nine deaths due to cancer of the liver, angiosarcoma, among vinyl chloride workers in the Goodrich plant in Shawinigan, can the minister assure the House that a similar situation does not exist in this province? Can she give us the figures she has in this matter?

Hon. B. Stephenson: Mr. Speaker, we have no figures which would support the study which has been reported from Shawinigan. However, I can tell the hon. leader of the Liberal Party that of the four items which the special committee on occupational health has directed the ministry to become actively involved with, vinyl chloride is one of the items. It is not the top item, but it is one of the important ones and we shall be beginning our investigations in that area.

Mr. S. Smith: By way of supplementary, if I could just ask a two-part question: First of all, have the figures of the deaths for the area of Sarnia and Niagara Falls been looked at in the same way that the Shawinigan deaths were looked at, to see if there are any unusual incidences of liver cancer there? Secondly, is the minister now prepared to proclaim an occupational standard consistent with the United States standard of one part

per million, instead of the present Ontario standard of 10 parts per million?

Hon. B. Stephenson: Mr. Speaker, I am not sure the entire study has been done on cancer-related deaths for areas such as Sarnia. I can tell the member we are awaiting the recommendation of the council on occupational health regarding that acceptable standard for the province.

COST OF SABBATICALS

Hon. Mr. Parrott: Thank you, Mr. Speaker. The hon. member for Renfrew South (Mr. Yakabuski) has raised a concern about the value of sabbatical leave in Ontario universities and I would like to give him some general information at this time. This matter is clearly an internal university matter and any interferences on my part, I think, would jeopardize the independence of the institution—

Interjections.

Mr. Lewis: Resign.

Hon. Mr. Parrott: —which this government feels is essential for freedom of academic endeavour.

The general rationale for sabbatical leave involves the opportunity to intensify scholarly research and publication; the provisions of research opportunities at primary sources of data; improvement of the quality of teaching through the development of new materials and techniques; and the opportunity to gain practical experience in the setting of other institutions in Canada and abroad.

Sabbatical leaves are an historic tradition in this and most other countries, and are commonly accepted as a primary condition of academic employment.

Mr. MacDonald: He is a subversive destroying our traditions.

Hon. Mr. Parrott: The hon. member may wish to look at the handbook of the Canadian Association of University Teachers—

Mr. Deans: Are you going to send somebody along to read it?

Hon. Mr. Parrott: I wish the opposition would be quiet. I'm trying to talk to one of my hon. friends and I think he has been put off on two occasions.

Interjections.

Mr. S. Smith: He won't understand you anyway.

Mr. Speaker: Order, please. The hon. minister has the floor. Fewer interjections I think would be better for everyone concerned.

Hon. Mr. Parrott: I thank you, Mr. Speaker. I think the hon. member has raised a question for which he has a genuine concern and I would like to reply in detail.

Mr. MacDonald: It is obsolete to begin with.

Mr. Cassidy: We will see that he takes a sabbatical.

Mr. Speaker: Order, please.

Hon. Mr. Parrott: The hon. member may wish to look at the handbook of the Canadian Association of University Teachers which has established a number of guidelines on sabbatical leave policies.

Each university is responsible for its own policies on sabbatical leave. It is common for universities to consider granting one year of leave after six years of full employment, and often with the proviso that the faculty member must be tenured, and sometimes with the restrictions that a minimum rank had been attained previous to that occasion.

Remuneration terms also vary, although a common arrangement seems to be six months at full salary or 12 months at half salary. In other cases, faculty members are eligible up to 75 per cent of salary, the precise amounts presumably being determined on the basis of their plans for their leave of absence.

While I do not have specific data on replacement of faculty members who are on sabbatical leave, I understand this also varies from institution to institution. In some instances teaching loads are assumed by colleagues; in others, visiting professors may be retained for a year or a term, as indicated by their own institutions. Many universities encourage, and some require, faculty members on sabbatical leave to secure research funding from alternative sources. Some fellowships, such as the Canada Council leave fellowships—

Interjection.

Mr. Speaker: Order, please. With fewer interjections we could get on with the business of the House.

Hon. Mr. Parrott: —may defer the entire—
Interjections.

Mr. Speaker: Order.

Hon. Mr. Parrott: —may defer the entire cost of the sabbatical leave, thereby saving

the university the full amount of the professor's salary for that year.

I hope I have provided a satisfactory response to the question raised by my colleague. I would, however, like to emphasize again that under each Act establishing a university the powers to determine remuneration, tenure of office and working conditions rest with the board of governors of that institution. I would like to forward to the hon. member a statistical fact sheet compiled by my university affairs division—

Interjections.

Mr. Speaker: Order, please. We'll deal with that in a moment.

Hon. Mr. Parrott: —and which contains the basic information of each university.

Interjections.

Mr. Speaker: Order, please. Not just for the moment. Order, please.

May I suggest that an answer of that length is too long to be given as an answer during the question period and might better have occupied the time of the House before the question period. I shall therefore—

Interjections.

Mr. Speaker: Order, please. No, it was a lengthy statement basically—even without interruptions, one might reply. We'll add three minutes to the question period.

I will allow a supplementary from the member for Renfrew South.

Order, please. We're wasting the time of the House. The member for Renfrew South.

Mr. Yakabuski: Firstly, I would like to put to the Minister of Colleges and Universities that he has not convinced me that it is not a ripoff.

Interjections.

Mr. Yakabuski: Secondly—

Mr. Speaker: Order, please. We're just wasting valuable time of the House. Now could we have—order, order! Do I have to name someone this afternoon?

Interjections.

Mr. Speaker: Does the hon. member have a question, rather than a debate?

Mr. Yakabuski: I have a number of questions.

I'm not sure whether the Minister of Colleges and Universities—

Interjections.

Mr. Speaker: Order, please.

Mr. Yakabuski: —is aware that there were almost 1,000 of the academic staff of universities and colleges on sabbatical or leave of absence in 1974-1975—

Mr. Speaker: Order, please. We're debating a matter. Will the hon. member ask a question for further information if he has one?

Mr. Yakabuski: Would the minister also feel that the public, the taxpayers of this province and of Canada, would be shocked to know that eight per cent of the university staff was on such leave at any given time?

Interjections.

Mr. Speaker: Order, please.

Mr. Yakabuski: Would the Minister of Colleges and Universities feel—

Mr. Singer: This is a terrible abuse of the House—a terrible abuse of the rules.

Mr. Yakabuski: Would the Minister of Colleges and Universities feel that—

Interjections.

Mr. Speaker: If the member has a question he'll ask it and we'll have the hon. minister—order, please, the Speaker has the floor.

Mr. Makarchuk: It is a very simple process—ask a question and get an answer.

Mr. Speaker: Order, please. I need no assistance from the member for Brantford. Thank you.

Interjections.

Mr. Speaker: Now, we've wasted quite a bit of time. I believe a question has been asked. Would the hon. minister care to reply to it?

Hon. Mr. Parrott: Mr. Speaker, I'm sure all the citizens of this province are very interested in the activities of our universities; I'm one of those citizens.

As the Minister of Colleges and Universities, I do have a great deal of concern but I want to reiterate that the basic policy is that established under the Acts which form each university. I think I would have to ask my hon. colleague to investigate further his concerns with the individual institution. I would also say I think we should recognize

genuine concern on the part of an hon. member from this side of the House.

[2:45]

WINDSOR TEACHERS' DISPUTE

Mr. Burr: I have a question of the Minister of Education regarding the Windsor secondary school situation. What has been the response of the teachers and the board to the minister's request that the schools open on Monday?

Hon. Mr. Wells: Mr. Speaker, I have not had any response as to what their position is in regard to the proposition I put to them. I have been informed that the teachers will have an answer for me at 8:30 tonight. I don't know what that answer will be. I haven't heard from the board since they received my letter.

Mr. B. Newman: I have a supplementary, Mr. Speaker. In one of the conditions that the minister stated to the two parties, he makes mention that the teachers suspend their strike and resume their full teaching programmes with no sanctions on May 3. Does the minister not mean suspend on May 3 their strike, or does he simply mean sanctions on May 3?

Hon. Mr. Wells: I guess, Mr. Speaker, it can be whichever way the hon. member wants it. I mean suspend the strike as of May 3.

Mr. B. Newman: Mr. Speaker, I have a supplementary. I think this is a matter of grave concern to the teachers because they might be willing to accept the minister's recommendation—

Mr. Speaker: And your supplementary question is?

Mr. B. Newman: —but they want to know whether he means the May 3 belongs to sanctions, only for the date of May 3, or does it mean to suspend their strike as of May 3?

Hon. Mr. Davis: You don't give your colleagues much credit.

Hon. Mr. Wells: I can tell my friend that it belongs to both actions. I think the word that may be bothering him is "suspend." It belongs to both actions, and what it really means in simple plain terms is that the schools open and the full programme begins on May 3.

Mr. Bounsall: I have a supplementary, Mr. Speaker. Does the minister not feel that by mentioning May 10 as the day, if the contract has not been negotiated, when the mediators would expect to make recommendations to him for terms of a settlement—by mentioning that date, just a week beyond Monday, May 3, that this would have a detrimental effect in terms of the parties reaching a negotiated settlement if one of them should decide that all they have to do is hold off yet another week before some more action is taken here through the mediators?

Hon. Mr. Wells: Mr. Speaker, I take the opposite view to this process. This is the innovative process I was talking about and which my friend asked about the other day. This is an attempt to get both parties back at the bargaining table and to put some kind of pressure on both parties to bargain.

Mr. Bain: Just like our reasoned amendment.

Mr. Lewis: You've just taken our policy, that's all.

Hon. Mr. Wells: No, no. This is just a little more innovative because it isn't compulsory bargaining.

Mr. Deans: Because you're introducing it.

Hon. Mr. Wells: That's right, because I'm introducing it. It's a little more innovative.

Mr. Deans: That's right.

Hon. Mr. Wells: But the whole point is that the term used, "and suggest terms of settlement" is, I think, the relevant thing. In other words, we're not suggesting that those negotiators suggest some other form of mechanical action but that those people suggest the kind of agreement that should be made by the parties if they can't negotiate it at that time. It's a sort of conciliation report.

Mr. Deans: That's a step in the right direction.

Mr. Lewis: It's almost our position.

FEEES OF HOMES-FOR-AGED DOCTORS

Mrs. Campbell: My question is of the acting Minister of Health, Mr. Speaker. Is the minister aware of report No. 11 of the social service and housing committee of Metropolitan Toronto, particularly item 2, fees for service for homes-for-the-aged physician?

Hon. B. Stephenson: No, Mr. Speaker, I don't remember having read that specific item.

Mrs. Campbell: Mr. Speaker, a supplementary if I may: To shorten the question, I would like to read into the record a portion of that report. It is dealing with the rearrangement of financing of physicians in these homes.

Mr. Speaker: Is there a question following this?

Mrs. Campbell: Yes.

Mr. Speaker: It's very brief, thank you.

Mrs. Campbell: Thank you, Mr. Speaker. I think I'm entitled to put the point, at least, so that I could ask the question.

Mr. Speaker: I agree. The hon. member may proceed.

Mrs. Campbell: The example cited in the report is Bendale Acres, which is only one of the homes for the aged. Is the minister aware that in 1975 the physician in all of these homes, but specifically in this one, was paid \$13,000 a year on a shared basis between the Ministry of Community and Social Services and Metropolitan Toronto? And is she aware that under the new arrangement, based on the visits of 1975 and the OHIP programme, the payments to the physicians will be \$25,831.20—\$19,410.60 being directly payable by OHIP? And the reason for this 100 per cent increase—

Mr. Yakabuski: Question.

Mr. Eaton: Speech; speech.

Mrs. Campbell: I am asking the question and I intend to continue, Mr. Speaker, with my rights. Efforts have been made for the regulations on the homes for the aged to be amended allowing for an increase in the—

Mr. Yakabuski: Statements.

Mrs. Campbell: —rates set, which have been in existence since 1967—

Mr. Yakabuski: Statements from the shadow cabinet.

Mrs. Campbell: —but have been rejected. Would the minister advise what the ramifications of this kind of change in programme will be for her ministry and how she sees this fitting into the goals of the restraint programme, which are to reduce provincial cash requirements in 1976?

Mr. Martel: What was the question?

Mr. Speaker: Order, please.

Hon. B. Stephenson: I shall attempt to develop a detailed answer for the hon. member.

Mr. Speaker: I suggest an answer requiring so much detail might better have been placed on the order paper.

The hon. member for St. Andrew-St. Patrick has a question, I believe.

Mr. Grossman: My speech is also for the attention of the acting Minister of Health.

Mr. Mancini: When is the member going to resign?

HOSPITAL CLOSINGS

Mr. Grossman: On April 14, the minister wrote the president of the board of Doctors Hospital, stating:

The government will expect neighbouring hospitals to be responsive with respect to clinic and admitting rights for physicians displaced by a hospital closing.

In view of the fact that physicians are to stop admitting patients within two weeks' time—

Mr. Mancini: When is the member going to resign?

Mr. Grossman: —I wonder if the minister could tell us how many physicians have been accepted at the neighbouring hospitals? And if not very many have—as I know to be the case—what is going to be done in the next 14 days?

Mr. Singer: She will resign.

An hon. member: Both ministers should resign.

Hon. B. Stephenson: Mr. Speaker, since the hon. member seems to have the answer right at the moment, I am wondering about the question. However, I can't tell him the exact number, since approximately one-half of the staff of that hospital held dual appointments with other institutions, and it would be logical to anticipate that they would, in fact, be accepted as full staff members in the other institutions.

Of the remaining one-half, I do not have figures at the moment regarding acceptance by other institutions, but I have been assured by the chairman of medical staffs and by the administrators of those hospitals that they would be receptive.

I anticipate I shall be able to get that information from administrators of the various other hospitals. I have not had any communication from specific doctors at the Doctors Hospital regarding this kind of application or their success or failure in achieving a hospital appointment.

Ms. Bryden: Why don't you keep the hospitals open instead?

Mr. Grossman: Supplementary, Mr. Speaker.

Mr. Speaker: One supplementary, yes.

Mr. Grossman: Since the ministry has set up the Evans committee to be sure that the doctors do have a place to practise by the time they have to stop admitting patients on May 15—

Mr. Lewis: Doctors and other workers.

Mr. Grossman: —doesn't the minister think the ministry ought to know seriously, as the thing progresses day to day, how many doctors, as of today, for example, will be without any admitting privileges at any hospital on May 16? And could the minister report back tomorrow or Monday as to the total of doctors who do not have dual appointments and who have not yet been accepted at other hospitals?

Hon. B. Stephenson: Yes, Mr. Speaker, I will try to obtain that information.

PREMIER'S VISIT TO HAMILTON

Mr. Deans: Mr. Speaker, I have a question of the Premier.

Interjections.

Mr. Deans: I was trying to decide whether to ask the Minister of Community and Social Services (Mr. Taylor) a question but we've wasted enough time today. I wonder if the Premier might tell us why he is having difficulty getting invitations to speak in the Hamilton area these days?

Hon. Mr. Davis: I'm having difficulties?

Mr. Lewis: Careful, careful.

Hon. Mr. Davis: I haven't the foggiest idea. I know that I'm going to be in that great community, I think, next Tuesday at noon.

Mr. Speaker: Order. Is this a question of urgent public importance?

Mr. Riddell: Urgent public support.

Mr. Deans: It is.

Hon. Mr. Davis: I plan to be there.

Mr. Deans: Can the Premier tell us what is this matter of urgent public importance that the Premier is about to speak about in Hamilton that would justify writing and asking the Chamber of Commerce to set up a meeting for the purpose?

Interjections.

Hon. Mr. Davis: I think that any time anything is said in that great municipality it is a matter of urgent public importance and I'm sure it will be of interest to the citizens of that community. If the member would like to be there, I'd be delighted to see him.

Mr. Lewis: Answer the question.

Mr. Breithaupt: He is going to have to renew his membership.

Mr. Deans: Just as an aside while he is there, is it possible the Premier might be prepared to explain to the citizens of Hamilton the Ministry of Health's activities with regard to Chedoke and the Minister of Social and Community Service's activities with regard to the Children's Aid Society, as it is not getting adequate funding?

Hon. Mr. Bennett: How does that relate to the previous question?

Hon. Mr. Davis: Mr. Speaker, I may touch on those items. I may also become somewhat non-partisan in my observations as to the real danger inherent in a socialistic government taking over the Province of Ontario as represented by the party of the hon. member. I could cover a multitude of things.

Interjections.

Mr. Speaker: Order, please.

Mr. Lewis: If the Premier is having trouble being invited to Chambers of Commerce, could I offer my assistance?

Hon. Mr. Davis: The Leader of the Opposition on many occasions, though he perhaps doesn't know it, is increasingly becoming of greater assistance to this government, and we appreciate it.

SENTENCES IN BEATING CASE

Mr. Mancini: I have a question of the Attorney General. Is the Attorney General aware of the light sentences given to a Mr. Price and a Mr. Beneteau in the savage beating of a Mr. David Comeau from Tecumseh, in view of the fact that Judge John Wheelton of Windsor called the incident, a savage, brutal, cowardly and unjustifiable attack,

and then proceeded to sentence Mr. Price to 60 days to be served in the evenings and Mr. Beneteau to only 30 days?

Hon. Mr. Handleman: Ask the judge.

Hon. Mr. Rhodes: Why don't you call the judge?

Hon. Mr. McMurtry: I don't think I'm familiar with the facts of that case.

Mr. Kerrio: Neither is the Minister of Housing.

Hon. Mr. McMurtry: If the sentence was handed down less than 30 days ago, I'm quite prepared to have my senior law officers review it in order to consider the possibility of an appeal, if the member would like to provide me with additional information.

Mr. Mancini: Supplementary: In view of the fact that it was reported that Mr. Beneteau "jumped on him," on Mr. Comeau, "pinning his arms and proceeded to beat him in the face with both hands. Mr. Comeau was blinded with blood, still lying on the sidewalk being beaten. It was at this time that Mr. Price came up and stomped him in the face—"

Mr. Speaker: Order, please. Does the hon. member have a question based on the answer that was given? You are now debating. You are giving a lot of information and that is not the purpose of the question period.

Mr. Mancini: No I'm not, Mr. Speaker.

Mr. Speaker: Please ask the supplementary question.

Mr. Mancini: I just want to show the Attorney General how serious—

Mr. Speaker: No, you don't need to show it. You're supposed to ask a supplementary question.

Mr. Mancini: Is the minister aware of all of this, and if he is not would he mind looking into the situation and see if he can launch an appeal?

An hon. member: He told you he would.
[3:00]

AMERICAN INDIAN MOVEMENT

Hon. Mr. MacBeth: Last Friday the member for Nickel Belt (Mr. Laughren) asked a question regarding a meeting of the American Indian Movement held recently in Sudbury.

He wanted to know whether surveillance by the Ontario Provincial Police of native people is being done with either my blessing or direction.

I understand that the Ontario Provincial Police superintendent at Sudbury did direct a constable to contact a reporter who had attended the American Indian Movement meeting. They subsequently discussed the meeting by telephone. The force certainly does not have all native people and native groups in the province under surveillance.

However, the American Indian Movement was involved in the unrest at both Wounded Knee and Anicinabe Park near Kenora. It is, therefore, the duty of the force to be aware of the activities of such groups.

Mr. Lewis: What?

Mr. Martel: What about the submarine park, John?

LOTTERY TICKET DISTRIBUTION

Mr. Samis: A question to the Minister of Culture and Recreation: In view of the charges laid by the Attorney General, and certain debatable practices within the distributorship system, does the minister not feel it's time to reassess the whole system of distributors with a view to allowing service clubs and public organizations to become distributors, to publicly advertise any vacancies or any future distributorships, and to reassess the whole system of the districts for distributorships the ministry has set up?

Hon. Mr. Welch: Mr. Speaker, in view of the present investigations it might not be appropriate to comment at length on the question, but may I assure the member and the members of the House that, following this, I am sure the Lottery Corp. will be reviewing the entire matter.

Mr. Samis: Supplementary: Can the minister confirm if it is Lottery Corp. policy that the distributor cannot give an interview without written, prior consent from the Lottery Corp.?

Hon. Mr. Welch: I don't know of any such instructions, but I'll take that matter up with the Lottery Corp.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Mr. Lawlor from the standing private bills committee presented the committee's report, which was read as follows and adopted:

Your committee begs to report the following bill without amendment:

Bill Pr26, An Act respecting the City of Hamilton.

Your committee begs to report the following bills with certain amendments:

Bill Pr6, An Act respecting the Welland-Port Colborne Airport.

Bill Pr19, An Act respecting the City of Hamilton.

Your committee would recommend that the time for presenting reports by the committee be extended to Friday, May 21, 1976.

Hon. Mr. McKeough: Mr. Speaker, I am pleased to release the 1974 edition of Municipal Financial Information, or as it is more commonly known, the Blue Book. The 1974 publication has been completely revised with the objective of making more information available to readers interested in making inter-municipal comparisons. A variety of new statistics and summary tables has been introduced. Information on the use of these statistics may be found in the introduction, which has been greatly expanded to aid those using this publication for analytical purposes. Some data shown in previous Blue Books has been omitted from this edition in the interests of producing a more compact publication.

Mr. Speaker, while I'm on my feet, and since I missed "Statements," I might just also, for the sake of the record, point out that the parkway belt west hearings will begin in Woodbridge on Monday. Three members of the Ontario Municipal Board have been appointed hearing officers, namely Messrs. McCrae, Ball and Dyer. They will move the hearings to Oakville about June 28 and to Richmond Hill about July 27. The plan is a composite of many ideas from both inside and outside the government. Two advisory committees representing municipalities and interested groups and residents have considered the draft plan and have submitted their reports to me, and those reports have been made public.

In providing their views, the advisory committees and others have made a substantial contribution to the final draft plan, which will be the subject of next week's hearings. To ensure that all interested individuals and groups have access to the draft plan, some 5,100 copies have been circulated to the

municipalities and the landowners in the area.

We look forward to receiving a summary of the public's recommendations and the officers' final report following conclusion of the hearings.

Thank you, sir, for allowing me to transgress in that way.

Mr. Speaker: Motions.

Introduction of bills.

POST-RETIREMENT INTEGRATION OF INVESTMENT MONEYS AND PENSION BENEFIT PREVENTION ACT

Mr. Laughren moved first reading of bill intituled, An Act to prevent Post-retirement Integration of Insurance Moneys and Pension Benefits with Increases in Government Social Security Plans.

Motion agreed to; first reading of the bill.

Mr. Laughren: Mr. Speaker, the purpose of this bill is to prevent the reduction of moneys paid out under an insurance or pension plan because of a general increase or cost of living increase in a government social security plan with which it may be integrated.

MUNICIPAL ELECTIONS AMENDMENT ACT

Mr. Samis moved first reading of bill intituled, An Act to amend the Municipal Elections Act.

Motion agreed to; first reading of the bill.

Mr. Samis: The purpose of this bill is to require all candidates at the municipal elections scene to reveal all election contributions beyond \$100.

Mr. Speaker: Orders of the day.

Clerk of the House: The 10th order, House in committee of supply.

ESTIMATES, MINISTRY OF REVENUE (concluded)

On vote 904:

Mr. Chairman: I think we are taking items 1, 2 and 3 together. Is that the understanding of the committee?

Hon. Mr. Meen: I think under that vote it is satisfactory.

Mr. Chairman: The minister was in the process of replying to some questions.

Hon. Mr. Meen: To tell you the truth, Mr. Chairman, I thought I had concluded the replies that I was making at the time when we rose.

Mr. Chairman: Thank you.

Hon. Mr. Meen: I believe the member for Sudbury East had some questions.

Mr. Martel: You can realize how anxious I was to speak on this issue. It is a burning issue and having started the comments the other day I want to return to them. They deal primarily with the assessment of the mining industry and I am delighted to see the Minister of Natural Resources (Mr. Bernier) stay around.

Mr. Laughren: Not that he'll change his mind.

Mr. Martel: No, because he has always taken the position we are going to tax them out of existence.

Interjections.

Mr. Martel: Mr. Chairman, I was making a few brief points the other day indicating that the regional municipality of Sudbury came together with the present Treasurer (Mr. McKeough), then Minister of Municipal Affairs, and the main reason was to get a fair shake of the assessment dollar that should have gone to the Sudbury area. With that promise, of course, came regional government and in three short years we now find ourselves with a debt of \$132 million and that municipality simply cannot afford to continue along that vein.

The profits of the industry have been rather substantial, but the assessment locally of the industry has been, to say the least, niggardly—such that today, as I say, we have, just at the regional level, a debt of \$132 million.

It is intriguing to me when I talk to people and they tell me such as the following: The assessment on the Trade Winds Hotel—that's in the riding of my friend from Nickel Belt (Mr. Laughren)—is greater than the assessment on the new plant at Falconbridge valued at \$135 million. There is just something crazy about it all. I tried to talk to the Treasurer during a bill last fall on this and he said, "Talk to the Minister of Revenue," and that he would possibly see the light. It can't go on. You can't have a hotel paying higher taxes than an industry where one

building alone is valued at \$135 million, and come up winning on that one.

We have to start to assess the underground operation, both at Falconbridge and Inco, and we have to start to do that in the rest of the mining sector. In fact, we have to do more than assess the walls and the foundation and the roof of the buildings that Inco and other mining companies are using. In other words, we have to get a bigger assessment if we are to provide the amenities in the Sudbury basin and in much of northern Ontario that are at present here in the south.

My understanding is that most of the mining companies would welcome the opportunity to pay more municipally, because they could write it off in the federal tax field and more of the earnings that are being accrued in those areas could stay in the localities affected. I want to ask the minister if there is any intention on this government's part to assess the equipment above ground, and also if they are willing to start to assess the operations underground, because there are entire cities underground, as far as I am concerned. I would appreciate knowing what the government's intentions are in respect of both those areas.

Hon. Mr. Meen: The hon. member is quite right that at present we assess land surface and the buildings. We do not assess plant and machinery, be it in the buildings or be it underground. I suppose what the hon. member is getting at is the question of the machinery occupying huge caverns underground, which I suppose are a form of buildings. I don't know whether he is thinking in terms of that, or whether he is thinking more in terms of the assessment of the machinery.

That would be a complete departure—and the hon. member is nodding his head, that that's what he intends—it would be a complete departure from the principle at present used in the Assessment Act and the taxing principles of the province. You must remember that businesses are assessed a further assessment for business tax purposes, but within the principles of the Assessment Act as it stands they are no more liable for tax on their production machinery than is the Ford Motor Co. in Oakville or a knitting mill somewhere else. Its plant and machinery is not subject to assessment for realty purposes.

To change the one, and I think it would be only fair if it were done, would necessitate a change in principle whereby plant and machinery themselves were taxed. That's not something that I have under active study, but I would think it happens to be implicit in

the whole and full look which the commission would be giving to our taxing picture.

I don't know whether they would be doing that in the course of looking at our suggestion that business tax be a straight 50 per cent rather than the multitude of rates applicable to different types of business. I suppose it is something that the commission might want to take a look at and give the province the benefit of its advice on, but presently, as the hon. member had indicated, it certainly is not the case that plant and machinery are subject to real estate tax.

[3:15]

Mr. Martel: If I might just pursue it for a moment, Mr. Chairman. Two points: It is my understanding there is some work being done, a number of studies being done, in respect to whether or not we should be looking at the possibility of taxing equipment. The other thing I want to come back to is if you're not going to go to the assessment route, what do you intend to do to ensure that municipalities in northern Ontario, of course, have the revenues available to them which would provide the amenities?

I'm sure you have to agree that in the year 1976, we're still putting sewer and water in the city of Sudbury. Billions of dollars come out of it; billions of dollars in profit have come out. We're putting sewer and water in 1976 in Sudbury. Most of the outlying communities in my colleague's riding and in my own riding are now, in 1976, getting sewer and water.

We don't have moneys with which—for example, in a place called Valley East which has 20,000 people—to help those municipalities which don't have sewer and water—they're not even on the books for it—because we're over \$133 million in the hole in three years of regional government. That's not talking about the local debt. Most of it is as a result of the policies of this government over the years, as it's centred on the type of taxation which has been allowed over the years.

I'm sure even the Minister of Natural Resources, who sits with us today, agrees there has to be some type of alternative in order to get moneys back into the north to provide those amenities. Don't tell me the \$5 million extra in the budget last year for northern municipalities is the type of funding—

Mr. Laughren: That was a joke.

Mr. Martel: —which is going to provide those amenities which are lacking. You simply can't sit on your hands any more; you're going to have to introduce some sort of pro-

gramme. You're not only dealing with the organized areas: what are you going to do with the unorganized—where you're starting from scratch—with the present way you people are allocating funds for the north? You have to do it either through some form of assessment or some other programme but you can't sit any longer.

You've been reduced to four seats in the north in eight years. Next time around it'll be less because you have given short shrift to the north and they aren't buying the nonsense any more. You've got to come up with an alternative.

I suggest to you that one of the best routes would be through the assessment of equipment—including underground—because the mining industry has said it's willing to go that route to make sure more money is saved in the municipality because it can write it off toward the federal taxation system. You've got to do something.

Hon. Mr. Meen: Mr. Chairman, certainly we recognize that there are problems. The hon. member was referring to Valley East. I'm not conversant with the current problems of Valley East. I recall hearing a couple of years ago that there was something like a \$50 million account which the municipality was going to have to incur for sewage facilities which had been necessitated by some strip development which occurred through there in a rather unplanned arrangement.

Mr. Martel: You allowed it.

Hon. Mr. Meen: What has happened there, I don't know; perhaps that was partially supported by Ministry of the Environment grants, which I presume to be the case. I know that the total picture, as I heard it then, was around \$50 million, which is a lot of money and obviously couldn't be produced by Valley East. It couldn't be produced by the whole of the municipalities in the north, I would expect, in any short period of time. I can tell the hon. member that the government has been aware of some difficulties which arise when one doesn't tax production machinery.

I had a discussion with Dr. Victor Goldbloom a year ago last October or November in Montreal; I think he was at that time both the Minister of Municipal Affairs and the Minister of the Environment. I think he was holding both portfolios. In any event, he was interested in this question. We met at that time with the Minister of Municipal Affairs for New Brunswick and discussed—not in as great detail as I would have liked, frankly,

but at least for a short period of time—the question of assessment of industrial property of one sort or another.

The staffs of our three ministries in the three governments have been meeting over the intervening months. I don't have a current report on this but certainly we're aware of this. As I indicated earlier, I would expect that the commission may have some words of advice for us and perhaps we'll have some information that we can pass to them by the time the commission begins its meetings.

In any event, we're not unaware nor certainly are we unsympathetic to the fiscal problems of the north. The immense expenses that they incur in the installation of services in their areas, I suppose in the colloquial, have to be seen to be believed, but those of us who have had the pleasure and the privilege of spending a little time now and again in the north know the kind of problems that you'd encounter in putting in your sewers and your water mains through bedrock, as you have had to do in so many of your municipalities.

Mr. Laughren: Mr. Chairman, when the ministry refers to the commission, I would hope that the minister would not wait for the commission to make recommendations on taxation but that he, indeed, would make a suggestion to the commission that this be something that it look at in considerable detail.

I think what's important here, as well as the things which my colleague from Sudbury East brought up, is that it really doesn't matter to the mining companies whether they pay their taxes at the federal or provincial or municipal level. Certainly, given the public relations programme that the large mining companies, namely Inco, is conducting in the Sudbury area now they would probably prefer to pay their taxes to the local municipality as opposed to the federal government. It would certainly enhance their standing in the community if they were seen to be paying a fair share of their taxation.

I suspect that what's required, if you don't want to change the entire legislation in Ontario dealing with production machinery and equipment, is that you make an exception for the mining industry, or that you negotiate with the mining companies special grants to the tune of \$5 million or \$6 million a year, to go at the municipal level, which would then be deductible from their federal taxation.

I went underground at Inco about two or three weeks ago and I was absolutely flabber-

gasted at the kind of installations that are underground. I had been underground before, but at the particular location I was in they were building a new crusher plant to crush the large rocks. The crusher plant runs for about 65 ft from one level to another. It consists of a huge conveyor system, a huge crushing system and all the equipment that's required to tie in with that. The investment that's underground in the mining industry is truly remarkable.

If I was running the mining company and I had an opportunity of putting in an installation underground or putting it above ground and took a look at the taxation, I would probably do the same thing. What needs to be done surely is an assessment of the total investment in buildings and/or machinery or the equivalent thereof that needs to be taxed. That's not happening now.

It's very hard to accept when you go to an area within the regional municipality of Sudbury and, in the wintertime, you see people melting snow in order to have water. And the simple fact is that in the summertime when the wells run dry they just simply have no water.

The regional municipality is at the limit on its capital borrowings. They say they can't do anything about it. You're quite right when you say that there is about a \$50 million investment in sewers and water in Valley East. That will service what, \$25,000 or 30,000 people, I suppose? That's for \$50 million. The York-Durham region trunk line is going to cost in the neighbourhood of \$200 million I think and that is going to service up to a million people.

Look at the contradiction in numbers where, in southern Ontario, you can service enormous numbers of people per dollar as opposed to northern Ontario. It's for two obvious reasons: one, the bedrock that the minister referred to that they have to go through to put in the sewers and water; and, second, the way the communities have been allowed to develop with strip development.

Mr. Martel: And the government allowed it.

Mr. Laughren: This government must assume the responsibility for allowing that to happen. I'm not excusing the behaviour of the local politicians either, but surely the government had the overall responsibility in years gone by to ensure that that was not allowed to happen.

Probably the strongest argument that can be made is that the mining companies really don't care to whom they pay their taxes. They

would probably prefer to pay them at the municipal level. I see no reason at all why the minister cannot assess them in order to provide more services at the local level.

I'm the first to admit that the quantity of grants which have gone to the regional municipality of Sudbury in recent years is substantial. As a matter of fact, this government has probably ensured that regional government survives in the Sudbury region by its influx of grants but it sure as heck isn't enough to cope with the kind of services being demanded.

The backlog built up over the years was enormous and it's simply not good enough to say we're in a period of constraint now and we're not going to allow these kinds of services to take place. We are in 1975; this is not the time to talk about the unorganized communities where there's no assessment but I can tell you the general feelings of neglect in northern Ontario are not something we opposition members in Queen's Park express for political purposes alone. They're there. We articulate them for our constituents and they're very real, and if the government thinks otherwise it does so at its own peril.

I would urge the minister to put the position to the Treasurer and to the commission looking into municipal taxes and to realign the whole assessment of the mining industry. There surely should be some relation to the wealth created and the wealth which remains there. We know for a fact that 20 billion lb of nickel have been taken out of the Sudbury basin in this century.

It's hard to put a dollar figure on that today when it's occurred over 75 years but surely we recognize the incredible wealth that represents? When we, on this side, talk about bringing those natural resources under public ownership, it's not simply a knee-jerk ideological reaction on the part of a socialist party. It's because we know that if we did have public ownership of those resources we could then process the resources there or have more control over the processing of resources. That, in turn, would give us an increase in assessment because of the installations required to do that sort of processing.

Mr. Martel: Rather than send them to Norway.

Mr. Laughren: It's not a case of saying public ownership for the sake of public ownership. We're tired of seeing that wealth shipped to Norway; or the ores being shipped out in semi-processed form and it's not getting much better.

I urge the minister, as strongly as I know how, to change the assessment policy of the government and for once—for the first time—allow a portion, a proper portion, of that creation of wealth to remain in the Sudbury basin. I'm sure the minister would agree that only with the creation of wealth can we provide the kind of services this province demands and has a right to. Unless that wealth creation takes place we can't deliver the services. We don't question that.

We're saying to you that there needs to be more wealth creation using those resources and you need to tax the resources in a much stronger way than you have in the past.

I wonder whether the minister could respond to what extent he's willing to make the case to the commission—not just to respond to the commission but to make the case to the commission—that we need a new kind of assessment in the Sudbury basin?

Hon. Mr. Meen: Mr. Chairman, I'm not really sure whether it would be appropriate for me or any other minister to appear before the commission. We certainly want them to have the fullest information available. Certainly, there will be staff support available and the information can be got to the commission. I certainly would like to reassure the hon. member that the commission will have the benefit of all the information we've been able to work up on this subject over the last few years if it feels it can put it to use.

You're asking if I'll take the initiative. Certainly we will see that this information is at hand for them and that they know it is available. Staff themselves will certainly be apprised of the fact that it is available and they will, I'm sure, see that it is utilized.

I'm advised that staff is now in course of preparation of material for me—I haven't seen it—to consider the extension of assessment in cases like this to include foundations. This is a possibility which could as much as double assessments for real estate purposes. That's quite surprising to me but that's what I'm advised: that that kind of extension of principle would double assessment in cases of mining operations, where it wouldn't necessarily have a significant bearing on assessment of manufacturing properties, which is an interesting situation.

[3:30]

It would tend to overcome the basic mis-giving I would have about just trying to roll right in and tax all machinery, because then you really would be hitting a lot of manufac-

turing industries, which obviously then would have to pass that along in the cost of their product—and, of course, so would Inco, I suppose, if they received a substantially increased assessment.

Mr. Martel: That's a federal matter.

Hon. Mr. Meen: Okay. That's the point. It would come off Ottawa. I understand some discussions have been held with Ottawa as to whether some other mechanism, such as a municipal grant to the municipalities by the mining company, would not be deductible for purposes of federal income tax—corporation tax under the Income Tax Act of Canada.

I am advised that the federal government would not give them any such assurance that it would be classed as a deductible. I think we would treat that as a gift to the Crown and would class it as a deductible, but that's only 12 per cent. It is that other very big bite that comes on the federal income tax that would be the far more significant thing to the taxpayer than the relatively minor 12 per cent which we would be contributing, in effect—but that's something that we are going to be looking at.

Coming back to what I was saying, the paper that my ministry staff is working up for me to consider in the next month or two involves a question of the extension of assessment to cover foundations. Whether that would be practical in the long run, we won't know for a while. But it's a distinct possibility, it strikes me, and I find it a rather attractive route to consider. When I have a chance to review it, then I would expect that if I find it satisfying, I will pass it along for discussion with my colleagues in cabinet to determine whether it will be an appropriate route to go by way of amendments perhaps later on in the year.

Mr. Laughren: Mr. Chairman, if I might speak briefly, I would feel much better about a policy that legislated assessment, as opposed to a grant from either the government or from the industry. I am nervous about the whole concept of grants from the government, because it isn't enshrined in legislation. I would urge the minister not to do it that way. It is the old tin cup approach that the municipal politicians in northern Ontario seem to think is the answer for the development of the north. We in this party don't agree with that. We are saying that the municipalities are entitled to a better shake, and it shouldn't take the form of a grant.

Hon. Mr. Meen: May I just repeat; I was not suggesting that. I was saying that had

been explored—I gather by the companies on their own—but I have not contemplated that myself. I am just saying what had happened when they tried that route. I agree with the hon. member; I don't think it is a practical way to go either.

Mr. Maack: Mr. Chairman, I would like to ask a question regarding the proposals in the 1976 budget regarding assessment in which the Treasurer talks about assessments of 50 per cent of the market value for residential, 100 per cent for commercial and 50 per cent for business. I attended a meeting in Parry Sound a couple of weeks ago, and this matter was brought up. There is some concern, particularly from the tourist operators, about the 50 per cent business assessments when they operate only two or three months of the year. On several occasions, the travel associations and so on have made overtures to the government regarding their assessment as it now stands and they are fearful that the 50 per cent is going to eliminate some of them completely, as far as business is concerned.

I am wondering if the government and the minister would consider, when these proposals are being discussed by the commission, remaining with the 50 per cent of business assessment, as was indicated in the budget statement, but assessing it on the basis of the number of months that they operate? I am wondering if that would be a fairer way, as far as business assessment is concerned, not only for tourist businesses but for any other business that might be a seasonal business. Could I have your comments on that, please?

Hon. Mr. Meen: Mr. Chairman, the whole principle of market value assessment, I think, would take that into account. Indeed, I'd feel uncomfortable with the principle of market value assessment if it didn't take factors like that into account.

I am advised that, several years ago, a committee was set up in the assessment standards branch of my ministry, together with the tourist operators, to try to develop a base for assessment that reflected seasonal activities of this sort and to recognize the vicissitudes, I suppose, of weather and other circumstances of tourist and campground activities.

I am told that the committee wasn't able to recommend a particular formula, short of using the income approach for campground and tourist operations which, when capitalized, can give a form of valuation that is far more realistic. It recognizes the peak periods of income and the many months when perhaps there is no income from these operations, because it takes the income stream

itself into account when you value the lands and the buildings.

It is, I suspect, a much better way than anything else and, of course, it would overcome the inherent problem that one might fear of the occasional property being sold for too large a sum, the operator perhaps not recognizing the income stream and buying it with other factors in mind. It would overcome that if they did it on the income stream basis. That's the route I would expect valuations would go in determining the worth of tourist camp operator's properties, their campgrounds and their basic facilities.

Ms. Bryden: Mr. Chairman, the member for Yorkview (Mr. Young), is not able to be here, but he feels he has not received a complete answer on two questions that he asked in the earlier session. Through you, could I ask the minister if he can give us the answer to the two questions raised by the member for Yorkview?

(First, he didn't feel we had pinpointed the electronic data processing money in the various parts of this vote. I think he wanted the figures broken out, and a comparison made with last year, as to how much is being provided for electronic data processing.)

The second point on which he wanted a reply has to do with a point he raised in his leadoff speech; that is, the great number of appeals of business assessment which big businesses, in Toronto particularly but in other communities as well, are undertaking against the interim assessments under which they are operating right now. They are able to challenge a lot of those interim assessments on the grounds of inequities, which are there because we have taken so long to bring in market value assessment. A great many of them are succeeding in appeals against their assessment, reducing their assessments and therefore reducing the tax take of the municipalities in which they live. What the member for Yorkview wanted to know was, what is the cost to the ministry of fighting these appeals by businesses in the various municipalities and how many personnel are involved in fighting those appeals?

Hon. Mr. Meen: Mr. Chairman, I don't have a complete breakdown but to the best of our ability, since the hon. member asked a question about cost of appeals, I can advise that this year we expect about \$5.5 million as the expenditure for our costs on the appeals. That is, our assessors' time, both in preparation and at the appeals, and all other costs my ministry would bear; about \$5.5 million. That is pretty consistent. I am ad-

vised that that was about the figure for last year and the year before that.

Let me clarify one point. An interesting thing is one of the other points my staff had advised me about and that is that the actual number of appeals is only running to about 60 per cent of previous years.

Ms. Bryden: They must be big ones then.

Hon. Mr. Meen: That's the point and they are costing us more because the cost is running at about the same in terms of dollars. The appeals coming forward presumably are not the little ones but those of some substance requiring more investigative time and consequently more time in the courts.

Ms. Bryden: I have a supplementary, Mr. Chairman. Could I ask the minister how many personnel—I think that was part of the question—are involved in these appeals and are there outside lawyers as well who are hired on a contract or a fee basis?

Hon. Mr. Meen: I am advised that those who are retained for this work are all outside counsel. I do not have the numbers of staff involved. I told the hon. member for Yorkview (Mr. Young) I would get that information for him. Although, to the best of my ability, I have been able to get some of it, there might be other details he would want as well and I hadn't expected to have that available today. I will get it as soon as I can.

Ms. Bryden: May I ask if you have the computer information, or were you intending to get that for Mr. Young also?

Hon. Mr. Meen: I have some information here from management systems under the assessment division, the computer information for development standards branch—no, I guess you are not terribly interested in that. The standards assessment system is \$141,600 for computer costs and for research, \$34,700. The operation is \$1,211,200 and for maintenance, under the standards assessment, \$158,000. Therefore, coming across in a total line, you might say, for standards the total is \$299,600.

For research the total is \$101,100. I may not have given the hon. member the cost for operations in research, \$66,600, which, aggregating with development costs of \$34,700, gives the \$101,100 figure. The valuation file has the one figure for operations total, \$1,211,200; the total for all being \$1,611,900.

Ms. Bryden: May I ask how this compares with last year?

Hon. Mr. Meen: I am advised that is 10 per cent lower than last year.

Mr. Williams: Through you, Mr. Chairman, to the hon. minister: With regard to budget paper E, dealing with reform of property taxation in Ontario which was referred to a few moments ago by my colleague, in speaking at some length on this matter the other evening I commented on the 15 proposals for reform which are enunciated in the paper. There is one that gives me some concern—item No. 9, return of assessment rolls, which will extend the period from the one year period as is the present practice to two years to coincide with the municipal election period. This makes good sense and I think will obviously bring about economies.

My only concern with regard to that measure, however, Mr. Minister, and perhaps you can comment, is whether or not this might have any adverse effect on the municipalities in that it might bring about some delays in bringing on stream the increased assessment through the levying of the supplementary assessments because of the more prolonged period. To put it another way—will this necessitate in your mind the need to accelerate the initiative presently taken by the assessment authorities to record supplementary assessments so that there won't be any adverse time lag arising out of this extended period?

Hon. Mr. Meen: I can understand the member's concern, Mr. Chairman, but in short the answer is no. I don't think there will be a problem.

The supplementary assessments still relate back, when ultimately made, to an apportionment to the very day of occupancy, shall we say, when the property was first assessable under section 43, and they are relatively effective in recovery to the municipality of the full amount of the taxes. The return of the roll every two years will save something like, if memory serves me, \$4 million, or \$3.5 million to \$4 million. It is an economy that I guess we would all like to see effected. There are some disadvantages to it I guess, but in the long run it sounds like an interesting proposal and we want the commission to think about that one as well.

I don't think the hon. member needs to worry from the standpoint of the municipalities about their getting the supplementary assessments. They will get them and they will be taxable from the day when they became taxable.

Mr. Williams: Just one supplementary point, Mr. Chairman. The last comment on that particular proposal states, "Provision will be made to record changes in school support." This seems to imply that this is not presently being done. If it isn't presently being done it's contrary to my understanding of the situation. I thought that the school support amendments are being recorded, virtually on a per diem basis.

Hon. Mr. Meen: We recognize that the school boards would like to have that information annually, so they may not be too keen on going on the two-year period. That was one of the disadvantages to which I was alluding. Nevertheless, we would like to think that we can work out some way to record alterations in the rolls for school support purposes, perhaps accommodating the school boards. That is not thoroughly worked out and it is just another matter that the commission will doubtless have to spend a fair amount of time on, I should think.

Ms. Bryden: Mr. Chairman, just following upon the computer costs, it seems strange to me that they would be down 10 per cent in a year when we are coming into completing the impact studies of the result of the market value assessment, and also completing all the parts of the assessment that haven't been done but which have to be done by October if we are going to bring the new market value system in for 1978 taxation. I wonder if this is one of these symbolic cuts and if they will be back with supplementary estimates later on, or is the minister confident that they can operate on 10 per cent less money, in view of the work of the commission and the requirements it will have, as well as completing the work in time for the new system coming in in 1977?

Hon. Mr. Meen: One of the doubts—if I have any, Mr. Chairman—is that when these estimates were prepared, the appointment of the commission hadn't been formally resolved in our minds—as to just how we were going to cope with the communication with the municipalities, how we were going to have these discussions with them and gain the input and do the studies that would be necessary. So the computer estimate does not include an allowance for computer time that may be necessary to assist the commission.

But subject to that, it's simply some efficiencies and some economies—some streamlining that we have been able to achieve in the computer work that I am advised has derived the otherwise accurate figure of 10 per cent reduction. In other words, the total

figure that we have I think is something with which we can live and perform effectively and obviously more efficiently, and yet I do have to qualify that with respect to the operation of computer services for the benefit of the commission, a factor I don't think anyone can put a dollar figure on yet.

Ms. Bryden: Just one more question, Mr. Chairman. If fighting the business assessments has cost \$5.5 million a year for the last three years, has the minister any estimate also of how much it has cost the municipalities in the way of reduced assessments in cases that have been won by business?

Hon. Mr. Meen: I am advised that in very rough figures the assessments that were under appeal aggregated about \$500 million a year. So a cost of \$5.5 million is roughly one per cent.

In generalities again, those assessments are preserved. I am advised that the assessments that have been preserved for the benefit of the municipalities have been maintained; the losses on the appeals have been less than one per cent average reduction on those appeals. So it strikes me that the cost to the province incurred in protecting and preserving the assessment base for the municipalities is itself running at roughly one per cent. That's relatively modest, I should think.

I am afraid I do not have any figure for the cost of any work done by the municipalities. Indeed I should think they could stay out of the picture pretty well until the assessment matter had been resolved, so I would expect that their costs are negligible.

It may be that the hon. member was referring in terms of cost to lost revenue from reduced assessment. A one per cent reduction in revenue from \$500 million worth of assessment would be the figure we are talking about to municipalities.

Ms. Bryden: One final comment, Mr. Chairman. It could be said I suppose that some of this \$16 million that's been spent could have been avoided if we had managed to get market assessment in quicker, but that of course is a matter of whether it could have been done or not. I would just like to make that observation.

Mr. Wildman: I wonder if the minister could clarify for us the present rather confused situation regarding assessment for mobile homes regarding Judge Vannini's decision? It appears that in Sault Ste. Marie at least mobile homes situated inside the city limits are being assessed for taxes while the mobile homes in mobile home parks outside

of the city, in the unorganized territory, are being taxed for educational purposes on the basis of the old system of a licence fee.

I wonder what determines, in the ministry's policy, what is a permanent residence, since in my estimation most modern mobile homes are very permanent and not very mobile. I am wondering if it requires the wheels and the chassis to be removed, or if it means they are simply put on a more permanent type of structure to stay in one place, and that determines whether they are permanent. If that's the case, why is it that this policy is not being applied similarly both in organized municipalities and in areas outside of organized municipalities?

Hon. Mr. Meen: The Vannini judgement which, if memory serves me, was in June or July, 1974, adopted a principle which my ministry hadn't been following and determined that, if the running gear had been removed, it would follow then that the mobile home was up on blocks. Certainly I agree with the hon. member for Algoma, it sure isn't very mobile when it's got its running gear out from under and it's up on blocks.

In that case Judge Vannini decided that that house therefore becomes part of the real estate. It was my opinion, and my colleagues agreed with me, that that was a very sensible judgement. What we did was to alter our practice and that is precisely what we have been doing ever since, so that a home that has had the running gear removed, following the rationale of the Vannini judgement, is then affixed to the realty and it's assessable for realty purposes.

If it is still on its wheels—and we made this very clear—it is not then assessable for realty purposes, but is subject to a licence fee. We amended the Municipal Act to provide that the municipalities could do one or the other, that is, if we assessed, they could not charge a licence fee; if we did not assess for realty purposes, they could charge a licence fee and in that way, hopefully, bringing some kind of order out of what did appear to be a chaotic situation which we had been struggling with for some time.

I am reminded that unorganized territories are not under our jurisdiction for assessment purposes. Consequently, they may still in areas unorganized—frankly, I don't know how they assess a tax if they are unorganized. In any event, I wonder since the hon. member for Algoma may just happen to be talking about some unorganized territories if that's where the confusion still arises. I believe we have accomplished it in any area over which we have jurisdiction.

Mr. Wildman: If I might be allowed to clarify that, there are two small mobile home parks within the city of Sault Ste. Marie. It is my understanding that they are now being assessed in cases where it is judged that the mobile home is a permanent situation.

Hon. Mr. Meen: That's fine.

Mr. Wildman: The situation in many of the parks outside or north of Sault Ste. Marie in unorganized townships is that the Sault Ste. Marie and District Board of Education is charging a licence fee for education taxes for mobile homes. Frankly, I think that the board of education would like to be relieved of this because it has led to a lot of problems.

There is one problem that I have in that I understand that in the situation within the city, where they are now being assessed, there apparently were some cases of people who have their homes on semi-permanent foundations but still have the wheels attached who were also assessed. They apparently went to the assessment appeal board, and I don't know what happened, but it appears that they didn't win their cases. I was wondering, if I could get the information to the minister, if he would investigate that.

Hon. Mr. Meen: I would suppose that if the running gear is still attached—the hon. member talks about semi-permanent foundations, and I don't know what that would mean. I suppose a few blocks up under the corners might be sufficiently—

Mr. Wildman: Blocks that aren't cemented in.

[4:00]

Hon. Mr. Meen: —impermanant, yes. They could pull them out fairly readily, but they can't put their running gear in and out all that easily. Presumably, with that left in there, the rules that I have instructed to be followed are that that property would then not be assessed under the Act, but rather it would be subject to licence fee by the municipality.

I understand, too, that in the unorganized territories if there is an education tax implication, as there may well be, we do have the authority to go in and assess, and I'll see that our people do go in and do that work in that area. If the hon. member can direct me to any particular areas I would be pleased to get the information from him because we may just be able to clear up that—whatever one would call it, not necessarily inequity, because they're paying tax one way or the other, I suppose, but at least get some consistency of

approach across the whole of the area; and any other areas, for that matter, in which the situation still may prevail.

Mr. Chairman: Is there any further discussion on vote 904?

Vote 904 agreed to.

On the Province of Ontario Savings Office:

Mr. Renwick: Mr. Chairman, my concern is really directed toward only one area, and that is the inability of the government to realize what an important role is played by the Province of Ontario Savings Office. It's an increasingly important role. It's almost as if that kind of a financial institution is having the same relatively phenomenal growth that credit unions and co-operatives are having—particularly credit unions.

I had occasion last year to correspond with the Province of Ontario Savings Office to get some information, in broad outline form, of the original purposes for which the savings office was set up when it was incorporated in 1921, and what its secondary purposes are, how it operates and what use could be made of the funds. By a letter to me in the latter part of October, 1975, the director of the Province of Ontario Savings Office gave me the information which I requested.

I am concerned that, so far as I can understand it, there have been no new Province of Ontario Savings Office branches opened up throughout the Province of Ontario since the 1930s. My first inquiry is, how many offices are there now in the Province of Ontario? I'm told that there is the head office and 21 branch offices. I would like to know the distribution of those branch offices, the date on which the last one was opened, and why it is that there are not a substantial number of new offices being opened, consistent with the expansion of the business which is taking place in the old established branch offices.

Hon. Mr. Meen: I'll tell you, Mr. Chairman, the hon. member's words are music to my ears because I would like to get on with doing some more of this. There are 21 operative branches. The head office is not an operative entity in the sense of taking deposits and dealing with customers, so we have 21. At one time there were 22. I think one was closed, or maybe a couple were closed and one opened, but the net balance is 21, as I understand it. I think the Province of Ontario Savings Office provides a terrific service to the government in making available to the government moneys at a lesser rate than—

Mr. Renwick: Just leave that aspect out of it.

Hon. Mr. Meen: Okay, my sales pitch comes later, does it?

Mr. Renwick: When was the last office opened? What is the distribution across the province?

Hon. Mr. Meen: The latest office opened was actually a removal of the branch at St. Clair and Yonge to a new branch over on St. Clair Ave. We still call it the St. Clair Ave. and Yonge branch, but it has moved along.

Mr. Renwick: The last new office?

Hon. Mr. Meen: I think one would go back 40 years or so, into the late 1920s or so.

Mr. Renwick: Not the first one; the latest one opened?

Hon. Mr. Meen: In terms of no branch being a replacement of another one closed for any other reason, I think one could go back decades.

Mr. Renwick: To get to a time when there has been any expansion of any kind?

Hon. Mr. Meen: Yes. I think that is fair enough, in terms of numbers.

Mr. Renwick: I don't need to know the locations at the moment but I would certainly ask, when your estimates are over, that the appropriate person write to me and set out the present locations of the 21 branches and the dates on which they were opened.

My next question is that while I didn't intend my remarks to be so pleasing to the minister, could he now tell me what plans there are to expand the Province of Ontario Savings Office operations?

Hon. Mr. Meen: One could be very brief on this point; in light of the present constraints I have no plans, at present at any rate, for expanding the numbers. What I do want to do with a number of them is to modernize their facilities and their appearances. I was astonished—no, I really wasn't astonished; I was pleased but not all that surprised—at the very dramatic increase in the volume of business in the St. Clair Ave. branch when we moved it from a quite antiquated style of building to new quarters. There was a 73 per cent increase in a period of three years.

That thrust itself, to my mind, is probably one of the first things we should undertake

and I have been advocating this with all the branches, all the ones which are not of a modern style at the present time. The Dundas and University branch, I think, will shortly be moving into new quarters of a similar modern style and I would expect a similar kind of dramatic increase in its deposit activity, too.

Mr. Renwick: Not being a banker I may not use the right term but the question I would like to ask is what was the net balance on deposit with the Province of Ontario Savings Office, in aggregate, for each of the last five years so I can get some conception of the magnitude of the growth of the business of the savings office which has taken place?

Hon. Mr. Meen: I don't know whether I have that for the last five years. I can tell the hon. member what the moneys on deposit were at March 31, 1973. He might want to make a note of this. It was \$154,712,000. At Jan. 31, 1976—that's the most recent date I could obtain for the benefit of these estimates—it was up to \$240,078,000, an increase of 55 per cent.

I can give the hon. member the figures for 1974 and 1975 if he would like to have them. Comparable figures to the \$154,712,000 of 1973 are: For March 31, 1974, \$183,122,000; March 31, 1975, \$225,947,000. There has been quite a significant increase in each of those years.

Mr. Renwick: I think this leads me to the next area I would like to speak about. When you consider that it has gone up by that significant amount each year for the last five years, I want to now ask the ministry some specific questions about these funds, which are guaranteed so far as the depositors are concerned by the Ontario government and which pay a significant current rate of interest on the accounts of 7¾ per cent, where there is an obvious net float of the deposits of a significant number of millions of dollars; when one bears in mind that the original purpose of the Ontario Savings Office was to supply funds for rural credit, and that has long fallen into disuse, why are the funds simply turned over to the Treasurer of Ontario for such uses as he may determine rather than being used for the purposes of mortgage lending at a rate significantly lower than the going market rate? Bearing in mind that the Province of Ontario Savings Office must make a profit on its operations by whatever the spread may be, I suppose my first question is: What is the rate of interest which the Treasurer of Ontario pays to the Province of Ontario Savings Office for the use of these

substantial sums of money? Are they earmarked in any way by the Treasurer for any specific use? And what would be the rate at which a significant portion of those moneys on deposit could be used for mortgages for low and medium income people in the province for home purposes?

Hon. Mr. Meen: I would advise the hon. member that—I guess his information was obtained before March 1 as to the activity of POSO—the rate for deposits is now $8\frac{1}{2}$ per cent rather than $7\frac{3}{4}$.

Mr. Renwick: Eight and a half?

Hon. Mr. Meen: Yes. We increased that on March 1, because we endeavour to stay about a half of one percent above the trust company non-chequing accounts.

Mr. Renwick: The trust company non-chequing? Thank you.

Hon. Mr. Meen: Perhaps I can come at the question. The Treasurer is able to use the funds from banking operations at better than one per cent below what he could do on the bond market—in 60-day, 90-day notes, whatever. He pays, at least I believe it works this way; it's charged through at a rate of one per cent above the rate we are paying to depositors. So he is being charged at a rate of nine and a half per cent on the current basis.

The money goes into the general revenue fund, which is not earmarked, and it's there for the purposes of the Crown and whatever priorities the Treasurer and the government may establish for its use. Specifically on the hon. member's question of why the Province of Ontario Savings Office does not get into loans of one sort and another: He talks of mortgages, but he might just as readily talk in terms of general loans to depositors—it is simply—

Mr. Renwick: It is constitutionally impossible.

Hon. Mr. Meen: No, I was not about to say that, because as a matter of fact I took a trip out to Alberta to see how they do it and they have been able to set up quite a number of branches of the Alberta Treasury—Treasury Branches I think they are called—and they do make loans to depositors. The action has never been challenged; well there have been two cases in the Alberta courts, both of which upheld the constitutional authority of the Treasury Branches of Alberta to operate as “near banks”, as they call them, but as nearly as “near banks” can get—

Mr. Renwick: It hasn't changed since the Thirties.

Hon. Mr. Meen:—without getting into the banking function under so-called federal exclusive jurisdiction. In any event, neither of those cases was ever appealed to the Supreme Court of Canada. They were Alberta trial court cases and I don't know quite what would happen—neither do they—if they were appealed to the Supreme Court of Canada. There is no appeal on either of those. Those cases are of some long standing. But when I went out to see them they pointed out to me that to go that route would take quite a number of years, because you just don't train loan officers overnight. Their experience was that it took at least five years to train a loan officer.

[4:15]

Mr. Renwick: May I comment?

Hon. Mr. Meen: Yes, I would be pleased to hear from you.

Mr. Renwick: I was not thinking of the Province of Ontario Savings Office engaging in the loan business. I am interested in the minister's remarks that there may be some way in which one could skate around the constitutional prohibition, if one wanted to do so. I am thinking of a sizable amount of money; about a couple of hundred million dollars. Presumably if you doubled the number of branch offices from 21 to 42 in carefully selected locations, and an expansion programme was done in an orderly way, then in a very short time I would assume that the Province of Ontario Savings Office deposits would rapidly increase to about \$400 million or \$500 million over a period of time.

Now if those funds can be given to the Treasurer of Ontario for his use at a percentage point above what is being paid by the Province of Ontario Savings Office to their depositors, then there is no reason why it cannot be given either directly to the Ontario Mortgage Corp., or indirectly through the Treasurer and routed into the Ontario Mortgage Corp., which has the expertise and knowledge with respect to making mortgage loans. The funds could be available as a pool of mortgage money, obviously on some criteria of those persons who would qualify for that assistance, at a rate which presumably would run somewhere under 10 per cent; which is a significantly lower figure than the going rate for first mortgage money in the province, as the minister is well aware.

I just cannot understand the government, which got so hung up on the question of providing some subsidy to pick up some portion

of the mortgage interest rate—and I am going back now to the statements made by the Treasurer (Mr. McKeough) last June or July in his supplementary budget. They were going to dash out and meet with the financial institutions and either cajole or twist their arm, or persuade them or beg them to make more moneys available for mortgage purposes.

I am going back to the election time. In those desperate days prior to the Sept. 18 election—desperate, I say, for the Tory party—there was a sudden announcement of the mortgage interest rate subsidy; and then it was reflected in the Throne Speech, if I remember correctly. But then nothing happened about it, and it didn't appear again in the Throne Speech of this session.

I am asking the minister why it is not possible, in a time of extreme shortage of mortgage funds—availability only at extremely high rates of interest—why these funds cannot be made available through the Ontario Mortgage Corp. in such a way as to provide a very substantial pool of funds, if you can't get it from any of the other financial institutions?

It doesn't run contrary, you know, to the competitive operation which is so near to the minister's heart and those of his colleagues in the marketplace. We wouldn't dream in this party of interfering with the marketplace. But I would suggest that if this government, through Province of Ontario Savings Office deposits, made the funds available to the Ontario Mortgage Corp. in the magnitude I have spoken about, \$300 million to \$400 million, over a period of time and in a wise investment way with respect to first mortgages on house properties, it would enter the market in competition, and the competitive virtues of the marketplace would be enhanced by that competition with the other financial institutions which are making funds available. In so doing you could give significant assistance of immense importance to a large number of people to allow them to own their own homes.

Those are the comments I wanted to make and I am most anxious to hear what the minister's comments are. If it could be done at its inception without interrupting the market system and the free enterprise system of 1921 by providing funds for rural credit in the field of agriculture, when it was originally incorporated under an Act known as the Agricultural Development Finance Act, then it seems to me it is consistent that the government in a different time could use it for mortgage credit purposes in the home field.

Hon. Mr. Meen: Mr. Chairman, I don't know—going back into antiquity, to 1921,

when it was the farmers' union that brought in this legislation, as I'm given to understand—whether they ever did make any loan in accordance with the original intent. Certainly there's no evidence now of any such activity. It's been a dead issue for a decade.

If one were to pursue the activity along the lines I thought the member was talking about originally, namely that the Province of Ontario Savings Office branches would act as loan offices for mortgage purposes, we simply don't have the expertise. I think that it would take upwards of five years, from the advice I received out west, to put in place any such skills as that in any meaningful way—and it would have to be in all branches, I would suppose. So I don't picture that as a function.

I'm also advised, incidentally, that once that happens—and I'm sure the hon. member would understand this—that no longer would any significant amount of moneys that are presently available to the province be then available to the province. For every \$10 you had in on deposit you would have \$8 or \$9 out on loan, so you would then lose the advantage that accrues to all the people of Ontario by having this money available to the province at relatively attractive interest rates.

Mr. Renwick: Naturally, you can't use the same money twice.

Hon. Mr. Meen: Of course—well that isn't available to the province.

If the hon. member is saying that out of the moneys that are got in in this fashion there should be designated a similar quantum for the benefit of the Ontario Mortgage Corp. or some similar operation, then that's fine except that that question should be directed to the Treasurer. This money going into the consolidated revenue fund is at his disposal and his priority.

Mr. Renwick: He will undoubtedly read my remarks.

Hon. Mr. Meen: Oh, yes. He'll have the pleasure of reading the hon. member's remarks in Hansard just as the rest of us will in the fulness of time.

Mr. Renwick: Mr. Chairman, I only have one other comment about it. Will the minister give serious consideration to the expansion of the savings office branches, in carefully selected expansion programme terms, over a period of time in order to make this facility more available to the people throughout the Province of Ontario and not only to

those who happen to be able to deal with any one of the 21 branches?

Surely, it's Catch-22 in the sense if you talk about the curtailment of the restraint programme which doesn't permit this to be done, when at the very same time one obviously knows from the record of this institution over the past five or six years that if you do open up these offices you're going to get more and more funds and they'll be available to the Province of Ontario one way or another.

Hon. Mr. Meen: Mr. Chairman, I'd be less than candid if I didn't tell you that I agree with the sentiment expressed by the hon. member. It's a matter of constraint and, at this time, I don't have the money to do it, but I can tell you that the first time a few thousand dollars show up, where I can talk my colleague, the Chairman of Management Board (Mr. Auld) into letting me use a little bit more of these moneys for this kind of purpose, once we have modernized these branches then that certainly would be the next step.

There's nothing in the north; I'd love to have some there. I'm told—I think I'm correct on this—there was a branch in Sault Ste. Marie, but I think that's the branch that was closed down, for whatever reason.

Mr. Renwick: I understand that too.

Hon. Mr. Meen: That's an area where one could seriously consider an operation. You can have another one in Sudbury, in North Bay—I can think of the major centres.

Mr. Renwick: Thunder Bay.

Hon. Mr. Meen: Sure, sure, Thunder Bay; maybe even in Kenora and in many other parts of this province.

Mr. Renwick: Riverdale?

Hon. Mr. Meen: I think the hon. member has one or two in Riverdale now.

Mr. Renwick: No, not in my riding.

Hon. Mr. Meen: On Danforth Ave. Yes, there are two on the Danforth. If they aren't in the hon. member's riding they must be awfully close to it—and I will tell him something, I don't have one in my riding yet. In any event, I think the hon. member can see that I have every intention of pursuing this, at every opportunity, to expand this operation. It is a matter of fiscal constraint at the moment.

Mr. Renwick: All I can say is I am glad the Chairman of the Management Board (Mr. Auld) was here.

Mr. Good: On this subject, Mr. Chairman, could the minister tell me the nature of the debt instrument between the Ontario Savings Office and the province? I notice that in the Treasurer's statements he doesn't show any of the non-public borrowing as coming from the Ontario Savings Office. I am just wondering what is the nature of the debt instrument.

Hon. Mr. Meen: I must say, Mr. Chairman, I don't know the nature of the debt instrument. I honestly don't know what arrangement that is.

Mr. Good: What is the amount per year? It is not shown in the non-public borrowing.

Hon. Mr. Meen: Well it is not a repayable matter. The money is lent to the province and the province has it on an ongoing basis, with the Province of Ontario Savings Office retaining enough for day-to-day and week-to-week liquidity plus operating expenses.

Mr. Good: What would be the accumulation of the deposits to the credit of the province for use, on which they would pay interest?

Hon. Mr. Meen: It would be very close to the \$240 million on deposit at Jan. 31.

Mr. Good: On an ongoing basis?

Hon. Mr. Meen: Yes.

Mr. Good: Where does this show up? I guess this would more properly be asked of the Treasurer. I fail to find where this shows up in the Treasurer's scheme of financing.

Hon. Mr. Meen: I am sorry, Mr. Chairman, but I can't answer that question. I think the hon. member should ask the Treasurer.

Mr. Makarchuk: On the same subject again, the expansion of the Ontario Savings Office was the subject of a motion that was introduced by myself about five or six years ago in my last tenure in this House. At that time Mr. Eric Winkler, who was the minister responsible, also told us pretty much the same thing that the minister is repeating now—that yes, you were interested in expansion; yes, you are going to go ahead and expand; and, of course, you are going to move on it; and now you are telling us exactly the same thing. I am not at all convinced of the sincerity of your government to expand in this field, particularly in view of the record and in view of the past promises or past indi-

cations. I have a feeling that the reason you people are not prepared to move in this area is the fact that you will, in a sense, be involved in a public enterprise which will be in competition, or should be in competition and definitely could be in competition, with the trust companies and the banks, that you will have an economic tool in your hands or at your disposal which could to some extent affect interest rates in the market right now.

You will agree there is limited or no competition in that area, and I feel this is really the reason behind your reluctance to deal with this problem. I have a feeling—and I would have to see the figures—that in most cases the POSO branches are self-supporting. It is not an extra charge on the taxpayer. You have a figure of \$2 million, but I would like to hear the minister comment on whether the profit that is made is adequate to pay for this, or whether it is subsidized here. Even if it is subsidized, in this case by this \$2.6 million, I am sure that if the province had to borrow that extra money—the \$200 million that is on deposit—on the open market and borrow it at the going rate, the amount of money it would have to pay there would be far greater, in terms of interest, than what it is paying on it now. Those are my comments. I would like to know, specifically, is POSO self-supporting at this time?

[4:30]

Hon. Mr. Meen: I think it's fair to say all the branches are self-supporting except for one or two. I guess the figure is six, that demonstrated a very small loss. I don't have the details right in front of me, but it's expected that one or two of those will have a turnaround to a modest profit position in the next very short while—I would think in the next few months even.

On the other point, the hon. member refers to my predecessor, Mr. Winkler, when he was the Minister of Revenue. I am sure that he would have expressed the same sentiments as I. We have all felt this after having had an opportunity to get to know the Province of Ontario Savings Office operation, to see what it does and see the quality of the personnel in that branch. We think it justifies being expanded. It just seems over the years there have been other places in which government priorities have determined that our money should be put.

I don't disagree with the idea at all of trying to expand. Frankly, I don't think the banks and trust companies with whom the Province of Ontario Savings Offices would purport to be in competition really could care less. I don't think they would worry at all.

We have deposits presently that are about one per cent of the Canadian bank and trust company deposits, as I am advised. Since we are only in Ontario, a fairer comparison is that we are about three per cent of the total Ontario bank and trust companies deposits. This is really very, very small; there is no intention on anybody's part, of which I am aware, to deliberately keep the POSO operations in this league for any purpose whatever to which the hon. member for Brantford may have been alluding. I would like to see the activities expanded, and I am sure my colleagues would too, but it's all just a matter of priorities.

Mr. Makarchuk: Mr. Chairman, taking the last things first. There is no doubt about it that when you have such a small portion of the market, the banks couldn't care less, but if you were really serious about it, and you really expanded, then I am sure they would care quite a bit. You are irrelevant to the money market. You transfer funds between the banks and the government, and this is a sort of a closed shop operation in which you circulate it from one pocket to another; but you are not really out there in the market, either in mortgages, or possibly eventually expanding into consumer fields.

Your argument that it takes five years to train an officer, that's understandable. You could also hire good officers with a lot of training and ability to perform this job in five minutes if you were serious.

So the reason the banks are not concerned about it right now is that you are irrelevant and they really have no reason to fear. But I am of the opinion that if you were serious about it, if you went into the market and the consumer had the opportunity to shop around for mortgage funds or consumer spending funds, then I am sure the banks would be up in arms. But that's beside the point, and I think you should have the backbone or the intestinal fortitude to stand up and do what you have to do.

One other point about the matter of expansion: If you are indicating that the offices are self-supporting, that they are paying for themselves with the odd exception and those with a loss could be balanced off with the ones that are making a profit, then as I said earlier this is not a charge on the taxpayer of Ontario and I do not see why there is this reluctance to expand. You may have to borrow the money, but it is turned over, it is paid back eventually out of the revenue that you generate in a savings bank. Consequently, it seems to me there is no reason why you shouldn't go ahead and do it.

Hon. Mr. Meen: To answer the question, the hon. member for Brantford simply repeats what I have already said. It's been a matter of priorities for the dollars, Mr. Chairman.

Before we report, I was asking my colleague, the member for Mississauga South (Mr. Kennedy), if he would check to see if the member for Riverdale (Mr. Renwick) was still available. I am advised, though, that he has now gone to a meeting.

There were two questions which came up in the course of one of the earlier votes which I have been discussing with him and I had hoped he would be here because I have just learned there were two points on which I was at minor variance with accuracy. I had hoped he would be here. Perhaps in his absence I can refer to those and at least get it on the record for his benefit. With my apologies that I didn't have it sooner, if the committee would care to bear with me while I—

Mr. Chairman: The hon. minister wishes to read his comments into the record?

Hon. Mr. Meen: Yes, I was asked by the member for Riverdale how many Management Board orders there had been in my ministry in the last year. I replied that I understood there was just the one—the one which we had already talked about, the \$900,000 Management Board order in January with respect to the GAINS payments for February.

It turned out—and I should have remembered this but I didn't—that there was another Management Board order in March, which had been in the mill before the House reconvened, for \$114,700. That had been approved by a Management Board commitment last May for mailing purposes for the home buyers grant. That was brought in in the budget and we had not anticipated the home buyers grant being in my estimates of last year and so there was no provision for it in the estimates. The Management Board order for \$114,700 went through on March 16 to pick up the mailing costs for the home buyers grant.

I wanted to make that abundantly clear to him although I suppose I was accurate enough when I said my advice was that there had been only the one.

The member for Riverdale had also raised the question about the order of certain initiatives in a letter which I had written to him in March and in which I referred to certain measures. What had happened was that the constraint measures under our original docu-

mentation from cabinet were, in the wisdom of cabinet, changed in their numbering. I had referred to the earlier lists and their numbers in my letter to the member for Riverdale, assuming that that was the information he had. It turned out that he also had the corrected lists of the various constraint measures.

Measure 3 in my letter to him of March 24, according to our current figures, would be measure 1. Measure 1 in my letter to him would be measure 2. Measure 7 in my letter to him would be measure 3 and measure 2 in my letter to him would be measure 4 which, of course, serves to confuse everybody unless you can follow the various material. He was able to follow it—I think that part came out clearly enough.

When we were talking about measure 7, the member for Riverdale correctly indicated that measure 7 is the rationalization of regional offices but then he suggested that we had cut \$395,400 under this measure and I incorrectly replied that I believed that to be the case. Well, it was not because the reference is correct but no dollar cut was made against the measure.

The amount of \$395,400 refers to measure 3(7) which is actually data processing. I think the member for Riverdale actually had that straight when we were finished but I did want to get it corrected on the record.

Mr. Chairman and members of the committee, thank you very much for allowing me to correct this.

Mr. Chairman: This completes the estimates of the Minister of Revenue.

ESTIMATES, MANAGEMENT BOARD OF CABINET

Mr. Chairman: Does the hon. minister have an opening statement?

Hon. Mr. Auld: Yes, Mr. Chairman, I have a very short one.

I would like to open my estimates with a brief explanation of how our programmes are structured. The estimates of the Management Board include expenditures for the two separate organizations which report to me, the Civil Service Commission and the Management Board secretariat. I think this is the third year they have been combined in this fashion.

The first four programmes include parallel activities carried out in both organizations. For example, in vote 501, the main office appropriation in the administration programme

comprises the offices of the chairman of the Civil Service Commission and the secretary of the Management Board, my two deputy ministers. In addition, on the Civil Service Commission side, the office of the executive secretary, senior appointments compensation, and transfer payments are also made from this vote. The personnel activity provides personnel support services to the Civil Service Commission and the Management Board secretariat.

There is a new item in the administration programme that I would like to bring to the attention of the hon. members—the salary and benefits contingency. This activity was established to ensure that the government estimates reflect an allowance for unannounced salary and benefit awards which will likely be paid out in this fiscal year, and the estimate is consistent with the Treasurer's budget for 1976.

In the policy development programme, vote 502, personnel policy is the responsibility of the Civil Service Commission, while the management policy division of the Management Board secretariat is responsible for administrative policies.

There is a similar breakdown in the Management Board analysis programme, vote 503. The programmes and estimates division of the Management Board secretariat is responsible for programme analysis and the Civil Service Commission has the central responsibility for personnel administration.

The last programme, which consists of parallel activities in the commission and the secretariat, is the management audit programme, vote 504. In the Management Board secretariat, the operation review branch carries out operational reviews of ministries and certain agencies. In the Civil Service Commission, the personnel audit branch conducts audits of personnel policies and procedures.

The employee relations programme is carried out entirely by the Civil Service Commission under vote 505, and includes the Public Service Appeal Boards and the staff relations branch. The last programme, personnel services, vote 506, is also carried out by the Civil Service Commission and provides a range of personnel management services to ministries and certain agencies.

I hope that brief statement might assist members when we get into the discussions of the votes.

Mr. Davidson: I would just like to give a brief discussion on the general basis as to what we in the New Democratic Party feel

with regard to the Management Board to this point, without going into detail; detail will be gone into I am sure during the votes on the various programmes.

We in the New Democratic Party are pleased to participate in this discussion of the Management Board estimates, which allows us once again to bring to light some of the unjust circumstances which Crown employees of this province find themselves in simply because they are that—Crown employees. I say unjust because in many cases Crown employees are denied certain rights which have come to be an accepted fact throughout this province, rights which should be theirs as citizens and not denied to them simply because they earn their living as public servants.

First and foremost, I suspect, is the right to participate in the election of a government in this province. Any one of us in this room, I am sure, would be the first to claim our civil rights and liberties were being denied if we could not participate fully in the election of a party or a candidate at any given election. Yet we appear to turn a deaf ear and blind eye to the fact that this basic concept is denied to thousands of people living and working in this very same province. Why? Simply because they chose to earn their living as public servants.

Mr. Philip: Keep them in the back of the bus.

Mr. Davidson. Who else in Ontario is unable to canvass on behalf of a political party or political candidate? Who else is denied the right to speak openly at public meetings, to write political speeches or to raise and collect financial contributions? When one considers that thousands of persons are in fact denied these basic rights, surely he should become concerned. Not only should he be concerned, he should do something about it, and yet this government refuses to act.
[4:45]

Last year, during discussion on the estimates—and you, Mr. Minister, I realize were not the minister at that time—on Tuesday, June 24, 1975, the then minister, Mr. Winkler, when this point was brought up, made the following statement:

I simply have to reiterate to you this afternoon that this is under review. It is under review, I can say, by myself as well as other ministries and I will be the one who will be taking the recommendation to cabinet.

He then went on to say that that recommendation would in all probability be

brought forward before the month of September.

During the course of the discussion of this, I would like to ask the present minister whether or not this review was, in fact, completed?

If it was, when, and what does the report say? If it is not as yet completed, when can we expect it? Or has the government simply given up on even trying to find something out about what, in fact, is happening? In other words, have you allowed, and satisfied yourselves in allowing your own employees to remain second class citizens in the Province of Ontario?

Not so long ago, again last year, a private member's bill was put into this House—I won't read the whole bill; I'd just like to quote some of the things that it said. It was put forward by the member for Ottawa Centre (Mr. Cassidy), I believe—which asked that all public servants in the Province of Ontario be granted:

(a) The right to vote, (b) the right to actively support a political party or a candidate for provincial or federal office, (c) the right to contribute to a political party at any time, (d) the right to solicit funds for a candidate or for a political party, (e) the right to be a member of a political party and to hold office in such party, and (f) the right to express views on matters that form part of the platform of a provincial or federal political party.

In addition to that there were safeguards that would ensure that the government wouldn't have to be concerned about these people stealing documents etc. that they would be using during the course of an election.

Other provinces throughout Canada have taken action in this direction. Manitoba rewrote its legislation in 1974 and provided for complete freedom of political activities for employees in the civil service.

Saskatchewan in 1972 also made those provisions available to the public servants of that province. In both cases there are certain provisions which safeguard the government in certain areas, but overall their employees enjoy political freedom. Hopefully this government will take notice of some of the changes going on around it with regard to this matter and will act accordingly.

We then get into the area of collective bargaining on behalf of civil servants, and some of the things that bother the people who work for you and me and the other citizens of this province. They are things that again I think are probably enjoyed by the majority of people within this province, and

yet we deny these very same things to the civil servant or the public servant who works on our behalf.

One of the things that really concerns them, and concerns me as a former trade unionist, is the probationary period that a person is put to in order to confirm the fact that he or she is available and knowledgeable and suitable to work for the government of Ontario. That probationary period is one year, and it has to be, without question, one of the longest-drawn-out, unbelievable lengths for a probationary period even to be considered. When you take the average of most union negotiated agreements throughout the province, it would probably average three months. In many cases you will find that companies are prepared to accept the fact that they can analyse and evaluate an employee in 30 days. Yet we ask our civil servants to go into a one-year probationary period, during which time they have no protection whatsoever with regard to grievance procedures or other necessary items.

There is one other thing, Mr. Minister, and it's a question that maybe you can give me an answer to later. It's the problem of a citizen other than a Canadian citizen coming into this country and getting a job with the Ontario civil service. I use as an example the United States citizen who, when coming to work for the civil service, is required to take an oath of allegiance.

I can't speak for all of the countries in the world but I am aware that if that person takes the oath of allegiance to Canada he then loses his American citizenship. The one-year probationary period, if they intend to remain working within the civil service, then becomes a five-year probationary period because they can't become Canadian citizens for five years. If they're not Canadian citizens they can't be hired on the permanent staff of the civil service in the Province of Ontario. That makes things just a little bit tough for these people who have to work over that period of time for five years—again without the full protection of negotiated contracts that they have in existence.

Another thing they are very much concerned about and, rightly so I would suspect, is the guaranteeing of their bargaining rights. I think one need only go back to the case of the ambulance drivers in Toronto last year, when they were taken out of the civil service aspect and put into another category. They had to do some pretty heavy and fast negotiating to ensure that the rights they had developed and gained over the period of years were available to them at least for a certain

period of time. I think you will recall—and correct me if I'm wrong—that those who had had 12 or more years of service ended up having only 18 months guaranteed seniority. That's quite a drop from 12, 13 or 14 years.

The understanding that I have—again you can correct me if I'm wrong—is that this government is now in the process of taking psychiatric hospitals out of the Ministry of Health and putting them in the hands of community boards. If this is the case, then we are talking of 9,000 people who are, at the moment, civil servants of the Province of Ontario and who, once that transition takes place, will no longer be civil servants. They now have the protection of a negotiated agreement but could lose the contractual provisions that they now live under. This means they would have no guarantee of wages, no guarantee of accrued sick leave benefits, no guarantee of pensions or whatever else it may be that they now benefit from under their contract.

That, Mr. Chairman, is totally wrong. There should be some form of successor rights such as there are under the Ontario Labour Relations Act for industrial workers and construction workers and others. Civil servants should have that same kind of protection. Again I think that's something you should be considering.

One thing that is bothering me is the so-called reduction in complement of civil servants—permanent employees as we would know them, differing from what we call casual help or whatever else it may be. I am wondering whether or not you are reducing the number of civil servants within this province as you claim to be saving every-one money. For example, I'd like to know how many contract workers you have in comparison to permanent employees? When you get into casual labour, here again, you are using people as full-time employees but you are doing it in a manner that doesn't allow him or her the benefits of the agreement.

Some people have been casual employees for as much as 10 years. I don't know how casual you want to get in this field. But the procedure that is used by this government is that they'll hire a person then lay them off for four or five weeks, hire them back again as casual help, let them work so long, lay them off again and bring them back. So, over a period of time they could work a lifetime with the civil service and still be classified as casual help not being allowed the benefits of the union agreement and not having the protection of that contract.

Again we get into another area that is of great concern to us within the New Democratic Party, that is, the function of women within the civil service. We feel—and justly so if you read the report of the executive co-ordinator of women's programmes on the status of women Crown employees in Ontario—women are not being given the privileges they deserve within the civil service. As an example, taking the Liquor Control Board of Ontario, it seems to be that women just don't have the capacity in the eyes of this government to handle certain jobs. The Liquor Control Board, for example, has 625 managers who are men. It has none who are women. It has 1,797 men who are clerks and only 31 women. If anyone over on that side can convince me that a man can bring a bottle of booze from the back of the room to the counter and hand it across to a customer any better than a woman can, I would like to see him try to do it.

These then are some of the things that we are much concerned about over here. These are the things that we will be speaking to during the vote. I would like to thank you for having allowed me the opportunity just to generalize in a certain way about what bothers us in the New Democratic Party in relation to the actions of the Management Board.

[5:00]

Mr. Bullbrook: I want to join just quickly in the debate, not particularly in any capacity of official critic but again to convey, if I may, in the guise of this opportunity the distress I continue to experience over the government's decision to place the public sector of the Province of Ontario under the Anti-Inflation Board of the federal government. That was a mistake. I think now it is an irreparable mistake. I think the time has now come, because the matter of administration has become so entrenched and so structured, even if we undertook what was our constitutional responsibility and more definitively our responsibility to those people for whom we as a government have a direct responsibility, that it is too late for that, if I may say. I think the administration at the federal level is too entrenched.

I hope, frankly, that the decision of the Supreme Court of Canada on the reference will show that, not only were we politically unsound in making the decision that we did but that we were legally unsound in doing so. I don't quarrel one bit with the Province of Ontario in its statement saying that it wished to support the necessity and the philosophy

of the anti-inflation programme as outlined by the Prime Minister of Canada. That was worthwhile. There are certain deficiencies in that programme that the trade union movement is bringing to the attention of the federal government at this time, again with great validity.

I want to say that I just don't know how the Chairman of Management Board, whose function it is, I understand, to deal reciprocally with those public servants of a permanent nature working for the government, could have permitted his cabinet colleagues to persuade him that it was in the best interests of those public servants that the ultimate decision as to their wages in some aspects of their condition of employment should be given over to Jean Luc Pepin and his appointed federal colleagues. I will never understand that.

The constitutional aspect of things concerned me and I expressed this as directly as I could at the time. We just can't give over to the federal government provincial responsibility. That's the fracturing, not of Confederation but the fracturing of our duties and our rights as set down under the British North America Act. As I said before, bad enough to give them the rights, responsibilities and direction of matters which are traditionally within the purview of the government of Ontario or any provincial government, but superimposed upon that, to those people to whom we have a direct responsibility as employers—not private employers but as the elected government; the representatives of all the people of the province—in effect we have said, as a result of that agreement executed in February, to the people of Ontario, "You have elected us to do a job but we think it's in your best interests that we don't do the job and we let Pierre Elliott Trudeau and his appointees do the job." That's improper.

I am really hopeful that perhaps the Chairman of Management Board whom I admire, of course, both professionally and as a colleague in this House, might make comment as to what representations he did make, if any, during the course of the discussion as to whether that agreement should be entered into; secondly, and more importantly, whether the public sector, which is his responsibility, should be included in the terms of that agreement, because you know what you read this week.

Mr. Lawlor: Why didn't you intervene in the Supreme Court?

Mr. Bulbrook: The strange thing about this is we came to the conclusion, frankly—if he requires a response—that we were not a class of person within the definition of that under the Supreme Court of Canada Act, which would permit us to intervene. I want to say to you, as immodestly as I can, that the Chief Justice of Canada agreed with our opinion and didn't permit the New Democratic Party to intervene. That's the answer. Are you content with that answer?

In any event, to get back to the point, if I may: I really am vitally interested because you have read this week of the great dichotomy of all when you read that certain aspects of the federal ministerial responsibility at Ottawa had been unilaterally removed from the aegis of the Anti-Inflation Board. That must make the Treasurer of Ontario, the Premier of Ontario (Mr. Davis) and the Chairman of Management Board shake their heads. When you look at section 2 of the contract we have entered into with the federal government, we have given up to them everything—but the federal government hasn't given up everything to the AIB.

I want to use a phrase which sometimes is regarded as vulgar but is, I think, colloquially accepted. The government of Ontario has been suckered in by the government of Canada on this thing to such an extent now that I, as one member, don't think we can extricate ourselves from the position. Even now, if you came to the conclusion, as I said before, that you should administer it provincially—which you should have done—I think it's too late. I think it would make an absolute shambles of the administration of the scheme.

Hon. Mr. Auld: Just a couple of matters, Mr. Chairman, which were of a general nature. In terms of the hon. member for Cambridge and his comments about the political rights of the public service, I can only tell him there is no plan to change the legislation at the present time. In the sense that legislations is always under review and may well be changed at some future time, I can't predict that. There is no plan that I am aware of and nothing before cabinet which would lead to any change along the lines which he has suggested.

Mr. Warner: That's very sad.

Hon. Mr. Auld: In connection with the comments of the hon. member for Sarnia a few moments ago about the provincial acceptance of federal legislation setting up the Anti-Inflation Board and its authority over

the public service in Ontario, once again I suppose, in terms of the specific question, I am one of those who believe that the public service should be treated in the same way as the private sector. They should be treated no better and no worse. This is exactly the position of the government and why the government, along with all the other provinces, as I recall, except Quebec, has accepted the federal legislation and, in effect, made agreements to be bound by it during the period of the agreement.

Mr. Bullbrook: You realize that doesn't answer my question?

Hon. Mr. Auld: On the question of the constitutionality and so on, as far as the government is concerned it has been mentioned many times that the Attorney General (Mr. McMurtry) has advised the law officers of the Crown and the government that we have acted properly and within our own authority. I don't really see how, if we had set up our own agency to deal with the public service—

Mr. Bullbrook: I am not talking about that. You would have administered the guidelines.

Hon. Mr. Auld: —and public employees in this province and used the same rules as the federal government, if we applied them properly, how there would be any difference in the effect on those who are presently covered by the federal agencies.

Mr. Bullbrook: I will respond to that after or now if you wish—if I may. I want to tell you the distinction. The white paper as originally issued by the Prime Minister's office set forth the general guidelines and gave the provinces the alternative. They could have chosen to accept administering those guidelines on a provincial basis. That is the distinction.

No one has ever stood in this House and chastised the government of Ontario for undertaking the acceptance of the federal guidelines. Sure we believe that the public sector should be as restrictive as the private sector as far as the intent of the guidelines is concerned. I want to say to the Chairman of Management Board that you should administer those guidelines in the context of the provincial responsibility. What is in the best interest of Prince Edward Island isn't the same thing as what is in the best interest of Ontario. That's the first thing.

The second thing involves the fact that you are an employer. The key ingredient in

this is that when you are collectively bargaining with the public service in good faith for the best interests of the people, as their representatives, you do so as an employer and you don't give that function up to someone else. That is the key thing.

I would never say to the Chairman of Management Board or his colleagues that they have made an error in accepting the intent of the guidelines.

On vote 501:

Mr. Chairman: I think in dealing with vote 501, in order to have an orderly debate, is it agreed that we will deal with items 1, 2 and 3 together since they contain the minister's office, the main office and personnel? Any comment on any of those three items?

Items 1, 2 and 3 agreed to.

Item 4, salary and benefits contingency. Any comment?

Hon. Mr. Auld: Mr. Chairman, I would like to give a short explanation about this because it is a new thing.

Mr. Chairman: Item 4. The first three items are carried. You are referring to item 4—the \$171 million figure?

Hon. Mr. Auld: I am just looking for it. Yes.

In the past years unannounced salary awards have not been provided for in annual estimates on the grounds that they were not a known quantity and that to make a provision would, in effect, give away the province's negotiating position. When settled, awards were financed by Management Board orders. There was no provision in the estimates for salary awards.

For 1976-1977 at least, Ontario's commitment to the anti-inflation guidelines is an announced policy and it was decided that a provision for salary and benefits awards and merit increases should be made in the estimates to cover the amounts allowable under the guidelines. I should add to that, since most of the bargaining unit negotiations are in arbitration, and the arbitration awards may well be in excess of the guidelines and the Anti-Inflation Board—of course we don't know exactly how they would be dealt with by that board, it could be more than this amount.

However, the most important thing is to point out that a straight comparison between the budgeted salaries—which in 1975-1976 were \$1.1 billion—and the amount pro-

vided in the fund gives a false impression that civil servants will receive a 15.3 per cent salary increase. There are a number of factors that contribute to that false impression. The fund provides for salary payments retroactive to dates in 1975-1976, salary increases for 1976-1977 resulting from those 1975-1976 contract settlements, and the estimated effects of contracts to be awarded during 1976-1977. Thus, we're talking of approximately 1½ years' awards, which are in that amount included in the \$166 million of the fund related to salary awards; the balance of the fund is provided for pension, employee benefit awards and youth employment.

I just want to say, as I'm sure the hon. member is aware, that we now bargain on an annual basis in eight groups as far as the OPSEU is concerned. Some of their contracts expire at the end of September and some of them at the end of December. There have been no agreements made in any of those eight groups so far for the period from Oct. 1, 1975, or from Jan. 1, 1976. And, of course, those contracts from last September and last December will expire this September and this December; so we will be into negotiation and settlements, it's hoped, before the end of this fiscal year for the next year.

Mr. Chairman: Item 4 carried?

Mr. Ruston: What item are you on?

Mr. Chairman: We are on item 4, vote 501. Does item 4 carry?

Mr. Warner: No, I have a question for the Chairman of Management Board. Will the figure that's quoted here include, in some way, those increased premiums for OHIP which, because of the nature of agreements with OPSEU, must be picked up by the employer, in this case the Province of Ontario?

Hon. Mr. Auld: I'm not sure I understand the question but do you mean, does that amount include OHIP benefits?

Mr. Warner: That is correct—since the change in the OHIP premiums that has taken place in the last short while.

Hon. Mr. Auld: No, that will have to be funded out of the normal salary and benefits amounts in the ministries. In other words, there have been no increases made to the ministries to cover the increases in the OHIP premiums which they are paying at present.

Mr. Warner: I see. Thank you.

Mr. Chairman: Shall item 4 carry? Carried. Vote 501 agreed to.

On vote 502:

Mr. Chairman: Vote 502, item 1; personnel policy.

Ms. Sandeman: Mr. Chairman, the programme description under this vote caught my eye; it says that this programme is to develop and maintain, for the Management Board and the Civil Service Commission, administrative policies, procedures and so on to enable the boards, commissions, agencies and the ministries to effectively use their resources to public advantage. It occurred to me that there is still one major resource that we are not using to the public advantage, and I refer to the human resource represented by the female part of the labour force in the Ontario public service, which is so badly under-utilized.

The first report which the minister received from the executive co-ordinator of women's programmes on the status of women Crown employees, includes some very interesting service-wide statistics. I know these statistics are current for around this time last year, but it seems to me it's worth looking at those and considering where we are in April, 1976, in relation to April, 1975. I'd like to ask the minister to comment on changes as I go through the report that Ms. McLellan presented to you.

I believe that in April, 1975, there were about 26,700 women in the public service, and they represented 38 per cent of all the employees. Then we had the unclassified service, where there were 5,300 women, who were 34 per cent of the total. And in the 11 Crown agencies there were another 2,000 women, making up 30 per cent of the total. So at this time last year we were talking of 34,000 women Crown employees.

When we look at the salaries we see a familiar and depressing picture. Women, as always, were over-represented in the lower salary levels. Women made up, at this time last year, 81 per cent of all employees earning \$9,000 or less. Women are equally under-represented in the higher salary levels. Only 10 per cent of the employees making \$15,000 or more in the public service were women. So 81 per cent of the employees at the bottom end of the salary are women, you have only 10 per cent at the top end and the other nine per cent come in that middle range.

The average female salary was \$9,800 which is only 72 per cent of the male aver-

age of \$13,700. And women's jobs, the jobs in which women are concentrated, pay much less than men's jobs. The average salary in the jobs in which we find men concentrated was \$16,000 while the average salary in the women's jobs was \$10,200.

Again, we find in the way that women are bunched together in certain occupations some pretty interesting trends emerging. Over half of all women employed in the public service in Ontario at this time last year were employed in the general services category: about 57 per cent. Of the total employees in the general service category, 80 per cent were women.

And there are some interesting groups of public service employees in which there are very few women. Only one per cent of the law enforcement field in Ontario was made up of women employees. In the scientific and technical fields, we find only 11 per cent women. In the administrative services, only 14 per cent.

If you want to go into a more detailed analysis, as Ms. McLellan did, there are only five occupational groups in the public service which could be said to be really integrated, in other words where you have approximately a 50-50 split between male and female employees. Those integrated jobs account for only 17 per cent of all our public service employees.

At the other end of the scale there are only 14 occupational groups which we could think of as completely segregated, in which there were either only men or only women. Those completely segregated groups accounted for only two per cent of all the jobs.

Most of the occupational groups in the public service, as in the community at large, still are sex-typed groups; 67 out of 86 occupational groups have more than 60 per cent male or more than 60 per cent female employees. Most of the employees in the public service are in sex-typed jobs: about 81 per cent.

For example, in the Ministry of Correctional Services 87 per cent of the 2,700 correctional workers are men. But in data processing, 86 per cent of the 1,000 workers are women. There is still clear differentiation of occupation by sex in the public service of Ontario. Even when you have a situation where women make up a reasonable proportion of an occupational group, still we find they're clustered into the lower classification levels.

For instance, take the court reporter classification: 68 per cent of all the court reporters are women, and level 1 and 2 court reporters are 76 per cent women. But when you get to the Supreme Court, you've only got seven per cent women court reporters. Again, whenever a job is perceived to have a higher status, somehow, unaccountably, the women begin to be absent, very noticeably absent.

When you get into the higher, well-paid echelons of the public service, we find that last year—and the picture has probably changed and I'd like to ask the minister about that—there were 7,000 employees in the public service earning \$17,000 or more. Of those, only eight per cent were women and most of those women are employed in professional or staff positions rather than in general management. There are only four per cent of the women among the 778 employees in the top executive structure of the professional part of the public service.

There is one area in which there has been some small improvement, I think, for women in the public service and that is in the staff training area. There do seem to be more women coming into the staff training programmes. In the secretarial programmes, managerial programmes and overall, women in training programmes apparently increased from 22 per cent to 29 per cent of the total participants. But when you remember that they make up a total of 38 per cent of the work force, that still doesn't represent them properly.

In managerial staff training courses, women's share went up from 13 per cent to 17 per cent. When you look at the total of staff training and development programmes, women's share was 23 per cent. Again, when you break down those staff training programmes, you find the same old sex-typing going on. When you have a secretarial staff training programme, 87 per cent of the participants are women. When you have a managerial staff training programme, only 19 per cent are women.

I don't know if the minister would like at this point to give me the figures for this year or whether I should continue with my remarks. What I really would like to have from him is some updating of that kind of breakdown by occupation, by salary range, by staff training programmes and so on. Maybe you don't have it right there.

Hon. Mr. Auld: I can't give the hon. member details throughout all the ministries as to what changes have taken place. The report from which the hon. member was quot-

ing is the one which covers the period from April, 1974, to March, 1975. The report for the same period for 1975-1976 should be available in June and it will be the first opportunity that we will have had to see what progress has been made.

I am sure she is aware of the inventory that has been done of those making over \$17,000 and the names that have been added to the bank of people we are anxious to have and who are capable of promotion into the senior ranks. I simply say that Management Board's role really is to ensure that the activities in the affirmative action programme are co-ordinated in the ministries. The executive co-ordinator of the women Crown employees' office is Ms. McLellan. That office is in the Ministry of Labour and Ms. McLellan is a member of the Civil Service Commission. So we have good communication and we're expecting to see some significant improvements as far as women are concerned.

Some of the inequities have been solved in terms of equal pay for equal women in those areas where there were differences as well, for instance, between seamstresses and tailors and those sorts of things. I understand the last major one of that kind, which affected a lot of people primarily in Community and Social Services institutions and Health institutions in the cleaning staff has been resolved just in the last week or so. There were four, as I recall, which is another aspect of the affirmative action programme.

Ms. Sandeman: I understand in June we will get comparable figures for this year. Thank you very much. I hope we will see the significant improvement you speak of. There is certainly room for significant improvements. I think the figures which I've already quoted suggest to me that there is the need for some further action in particular areas.

To begin with, while we see that so-called women's jobs seem to pay so very much less than the traditional men's jobs, we must surely examine the rationale for the various pay scales to ensure equity. Secondly, I think the sex-typing of the job seems to perpetuate the continuation of the inequities of pay and the under-utilization of women. We really have to have greater efforts made to diversify men's and women's occupational distributions.

Particularly, more women must find their way into the traditionally higher-paid male-oriented jobs because it seems to me that you might have some trouble persuading men to

take what they would perceive as a step down. The equalization must be by movement upwards of women, not downwards of men. I have been nervous for a long time of the practice, not only in the public service, but in the community at large, of putting token women into senior management positions and hoping that the rest of us will then be satisfied. That does nothing for women in general, but I still feel it's vital that we have more women in such positions, a really significant number of women in senior management positions in the Ontario public service.

To ensure that this happens, obviously something has to be done in a tough kind of way about making sure that women's share of training opportunities is increased. It is not enough just to have a list of women who are willing to take part in programmes if and when there's a chance for them. The chances must be there, and they must be encouraged to go on training courses.

The report to which I referred, and the minister referred in his remarks and which was presented to the minister last December, contains some very interesting recommendations. I think there were 25 of them. I would like to ask the minister in a moment if he could tell me how many of those recommendations have been implemented, and there are a couple I would specifically like to ask you about. One of them was the suggestion that the ministries should identify specific budgets in their estimates for the affirmative action programmes, for the equal opportunities programme. Could you identify in the Management Board budget a specific amount set aside? It's difficult for me when looking through the estimates books in general to discover if other ministries are following that recommendation. I intend to ask at any estimates I am present at.

I wonder further if the minister is advocating this kind of approach to the estimates for other ministries, the kind of approach that says if we really believe that affirmative action and equal opportunity programmes are important we have to fund them and this is how we are funding them, to the tune of so many dollars for 1976-1977.

Another recommendation was that the Civil Service Commission should initiate a study of the implications of adjusting pay scales within the Ontario public service to provide equal remuneration where job duties are substantially equivalent. I think the minister just made a nice slip of the tongue about equal pay for equal women. It is that kind of area which I would like you to think about. That's an extremely important principle. I am glad

you realize that women are equal and I don't believe the restraint programme should be used as an excuse for postponing any move toward such a study or toward starting to pay right now equal wages for work of equal value. I wonder if you could tell us if the Civil Service Commission has instituted such a study and if it hasn't, when it's going to.

It is those two recommendations I would like some specific comment on, the recommendation that you identify specific budgets for affirmative action programmes in your estimates, and the recommendation that a study of the implications of adjusting the pay scale be undertaken. Finally, could you just tell me how many of those 25 recommendations have had consideration and, more importantly, action?

[5:30]

Hon. Mr. Auld: As far as recommendation 13 is concerned, which had to do with specific allocation of resources, the Management Board just completed a review of all the recommendations earlier this month and has sent a number of them to the Civil Service Commission officially for its study and report. But on the question of specific allocation of money in each ministry's estimates, the board simply confirmed the directive that the Management Board had given some time ago, that ministries were expected to implement the programme with the allocation of resources given to them for their total programmes and activities. What we have required is a work programme indicating the available resources which should be developed by each ministry for that purpose. We also confirmed that ministries should recognize the importance of assigning adequate resources at this point in the development of the programme to make sure that it is carried out.

As the hon. member I am sure is aware, the ministries are still at perhaps varying points in undertaking the various programmes, which vary somewhat from ministry to ministry and around the province.

The second point is that work is continuing on the compilation of a final report to be tabled with the commission on action taken by the ministries to resolve some of the problems of equal pay and equal work on the question of equal pay for—Did you say similar work?

Ms. Sandeman: The phrase being used is equal remuneration where job duties are substantially equivalent. That's the recommendation.

Hon. Mr. Auld: That one is a very difficult one to deal with because it is a bit of a subjective matter. The commission has been

charged with the responsibility of looking at that to see if we can find a definition which will apply to the many circumstances where there are variances.

I would think that some progress has been made on that. I think we are having the same kind of problems that we have been having in the so-called broad-banding programme in management classes where we have tried to reduce the number of variants. It is very difficult. We had hoped to have that completed about some time last year and we will be fortunate if we get it all done this year. Some of them are fairly simple, but some of them are very difficult indeed.

Ms. Sandeman: One final question: Could you identify for me a figure from your own budget for the affirmative action programme in the Management Board budget?

Hon. Mr. Auld: There is no specific item in the budget. There is an amount in the main office which will cover some seminars planned. We had a full-time person, Miss Walshe I guess, in the commission, and then Mrs. Burak, who is executive assistant to the secretary of Management Board and is our women's adviser in the Management Board end of things.

Mr. Ruston: Mr. Chairman, briefly on the personnel policy, and what I wanted to hear: The government has been making great statements lately about how it is cutting down civil service staff and so forth. But how do you rationalize how many staff you needed? Two years ago, apparently, you said you needed so many people, so you hired them. And now you are coming to say, a year later, "Well, we don't need so many."

Somebody either goofed then, or somebody is goofing now. It seems to me it's almost that simple. You had about the same programmes in effect a year ago, and the Treasurer (Mr. McKeough) gets up in his budget and says we are cutting down in our civil service. I really think you did one of two things. You either had too blasted many a year ago, or you are not going to have enough now. It's either one way or the other in my opinion.

I think it's easy to come out in big headlines and say, "We are the saviour of the taxpayers' dollar." At the other time, of course, we know how many thousands you are hiring by contract. What you didn't say of course, the Treasurer didn't say, and maybe I can't tell you, is how many, but I certainly have an awfully good idea how many because of just finding out where you are hiring people and who you are hiring.

You are certainly increasing your contract employees by probably double or triple what you had a year or two ago.

What throws me off, and I have had a number of people remark on this to me, is how can they dismiss so many employees by attrition or whatever way, while at the same time carrying on the agencies of government you have to carry on; I tell you I have an opinion that I just don't trust the way you have carried this out at all. I think I have great reservations about it.

Hon. Mr. Auld: There are several factors that are involved in the reduction of staff. In dealing with all staff in the first instance, in things like computer applications, the mechanization of certain things, there are reorganizations within ministries to reallocate their human resources; and there is some reduction in some programmes. I think immediately of the Ministry of Transportation and Communications, which for instance no longer paints the guard posts. Certainly down our way, they have reduced their year-round patrol staff by one or two in the last two or three years by doing things less frequently, like cutting the grass. There have been a number of actions taken, various ones depending on the kind of work the operating ministries do. I think it is fair to say too there is a better use of people's capabilities, and perhaps in many cases an increased workload or at least increased production.

In terms of unclassified staff, I don't want to really repeat. I made a fairly lengthy statement in the House two weeks ago, April 13, but the real control over unclassified staff is in the main office budget allocation. Although we have increased our controls by in effect freezing any additional recruitment in that connection, if you don't have the money, you can't pay the unclassified staff. The only loophole used to be that if you had money in that item, you could in effect use it for salaries or for purchase of supplies or something like that and you may decided you wanted to hire unclassified staff. This is not possible now.

Mr. Bullbrook: I want to now deal under this item of policy development with respect to personnel policy. It is something that I believe to be a specific example of the general problem that I mentioned, with respect to the transfer of jurisdiction over the public service to the federal government. I believe that to be the answer to this problem and since the question of personnel policy development also relates to designated boards and commissions, I think it is relevant under this vote.

It has to do with an open letter that was sent to the Premier of Ontario (Mr. Davis) from the Liquor Control Board and Liquor Licence Board employees association with respect to their negotiations, which now are apparently still ongoing but which normally would have been concluded by what would be final and binding arbitration under the Crown Employees Collective Bargaining Act; however for some reason, the provincial government doesn't want to enter into a collective agreement. I think they are saying the reason is that because of the agreement with the federal government we don't have the right to do so; but with your indulgence, I'll read excerpts from an open letter directed to the Premier of Ontario from A. G. Edmunds, the president of the association.

We are writing this letter in the hopes of initiating a return to honourable, honest and legal collective bargaining by your representatives in government when dealing with our association members and other employees of this province before the situation becomes so untenable that it can no longer be tolerated, leaving extreme measures as the only probable route we all will have to take in order to affect some sense of equity and justice.

If I might just digress for a moment from the actual text that I'm going to read. You've got to realize these people are the people normally I regard as having been appointed—for example my people in Sarnia having been appointed by my colleague, the member for Lambton (Mr. Henderson).

This makes it even more astonishing when you read a letter from an association like this, when it's been traditional, this appointment bit; at least in my area. As I said to the Premier of Ontario one day during the course of a debate I couldn't get my brother a job in a liquor store if he were dying of thirst.

Mr. Bain: You could if you supported—

Mr. Bullbrook: I would address my remarks to the Chairman of Management Board, if he were in the House. The Premier, if you will recall, said: "I didn't know your brother wanted a job." And if you recall the then Speaker, Allen Reuter, said: "Would you please consider one of my brothers for a job too." That actually happened. My brother was a priest though and he couldn't take the job, and the Premier knew it. The Premier knew him quite well. He knew he couldn't take the job.

Mr. Breithaupt: He could take a drink though.

Mr. Bullbrook: Oh he'd take the odd drink. He'd take some even ones too, I'll tell you, along the way. But he's gone to his great reward.

To continue: "We began negotiations for our contract on April 1, 1975." The collective bargaining process can be an anguishing period at times. But when they start on April 1, 1975, and on April 28, 1976, they're writing an open letter to the Premier of Ontario, it's less than anguishing for them.

We began negotiations for our contract on April 1, 1975, and as yet have not received proper legal settlement. To paraphrase only some of the intolerable actions by your people we would make the following points:

Your negotiators have delayed negotiations, avoiding many of the issues time and time again without cause. Yet we obeyed the law. Your negotiators threatened the removal of one-third of our bargaining unit, a virtually unforgivable course of action during negotiations. Yet we obeyed the law.

Your negotiators, at one time during negotiations, refused to deal with our selected legal representatives—people who were professionals and whom your people had never dealt with before. Yet we obeyed the law.

Your negotiators tried by direct contact to our members and by the institution of increases to non-bargaining unit employees of the Liquor Board to intimidate and place pressure upon our bargaining team. But we still obeyed the law.

We obeyed the law while other groups were acting illegally and were receiving increases far exceeding any that we were seeking through lawful, orderly negotiations because we believe the law must be paramount.

The law to which we refer is the Crown Employees Collective Bargaining Act, which as you are aware is the provincial legislation setting forth the conditions under which we must bargain as employees of the Province of Ontario. There are many facets of this law that we don't agree with, but we obeyed the law.

It is the law that denies us many of the rights enjoyed by all other citizens of Ontario. It removes many items from the bargaining table that are normally negotiable in the private sector. But most of all it denies us the legal right to strike. Yet as restrictive and unpalatable as that law may be, we have obeyed it.

The one thing the law does encompass is that an independent board of arbitration

composed of one representative from each side of a dispute and a chairman mutually agreeable to both sides would, when direct negotiations failed, sit in judgement of the situation and render a decision which by law would be final and binding upon the parties.

We chose to take our dispute to such a board in compliance with the law, believing that the government would, of all bodies, obey the law. The board of arbitration made a decision that while not wholly satisfactory to us was a fair and equitable decision. According to law we are prepared to obey the decision and sign the contract. But your representatives have chosen to ignore the law and refuse to accept the award as final and binding, as the law states they are honour bound so to do.

Again while all this has been going on, we've seen other groups, by the use of militancy, by ignoring and at times breaking the law, receive contracts and settlements far exceeding any aspirations we had. Indeed many of these groups have ridiculed our position of obeying the law and have warned us that we would not receive our proven worth. In spite of these warnings and happenings we continue to obey the law.

[5:45]

Many of our own members have asked us to take a more militant stance, and if necessary break the law in order to force a fair settlement. Yet we continued to obey the law.

Now your cabinet has broken the law by signing away your jurisdiction over provincial employees, ignoring existing provincial legislation.

And if I may remove from the text again: Boy does that come home to roost. That phrase is not from a lawyer, not from a member of the Legislature but from somebody who is employed by the government of Ontario. I want to read it again, if I may:

Now your cabinet has broken the law by signing away your jurisdiction over provincial employees, ignoring existing provincial legislation.

They presume something there that might not be correct. The assertion to the hon. Premier of Ontario by the president that you have broken the law has not been so found. It might well be that it isn't so found, so I don't want to associate myself entirely at this time with their comments that you have broken the law. But that isn't important, of course, in the context of what they are talking about. It isn't the fact that you

have broken the law. If you have, it's important. It is the fact that you have given up your jurisdiction.

Your negotiators advised us they would neither support nor oppose our efforts to have our legally-won contract honoured before the Anti-Inflation Board, in spite of an earlier promise by a minister of your cabinet of support in our efforts for the legally due "special consideration", and then they vigorously opposed us by every means at that board.

I want to again deflect from the text, if I may, because the dialogue that the hon. minister and I had a moment ago again is tremendously relevant and germane.

The minister says in effect: We support the AIB guidelines, but why establish our own board? There is one reason why you establish your own board. The assertion of Mr. Edmunds is that those people who were negotiating on behalf of the government in this collective bargaining process hindered them in bringing it before the AIB; and secondly did everything they could to argue that there shouldn't be special consideration. That's the anomaly, that's the strangeness about this whole thing, Mr. Chairman. I would like my colleagues to understand this.

The Crown Employees Collective Bargaining Act deprives those people of the right to strike and as a result of that deprivation says that final and binding arbitration will be the result. We don't like to deprive anyone of the right to strike, but the question of essentiality of services is, in the mind of most of us, paramount and we are prepared to accept that; but if it is final and binding, then it would be final and binding.

It is not a question to be transferred over to Jean Luc Pepin or anybody else in Ottawa. It is our duty and our responsibility to deal with the provincial statutes as we see the federal guidelines to be. As we see them to be, not as Trudeau sees them to be but as the Hon. William Grenville Davis sees them to be; he and his government that's elected, albeit in a minority position.

One of my colleagues and great friends is the Minister of National Revenue, my former law partner. I don't demean him one title by saying that he has no right to deal in my function. If he wanted to be a provincial legislator, let him run provincially. He chose to run federally and undertake federal responsibilities. I, for one, am not going to give up one bit of my responsibility to him.

Back to the text:

Some one even went so far as to tell the Anti-Inflation Board that the wages of all Ontario civil servants would be affected by any decision that board made, making us targets to be set upon. All this in spite of the fact they were honour bound by virtue of the Crown Employees Collective Bargaining Act to at least support us before the Anti-Inflation Board.

He makes an extremely valid point there. Certainly the letter of the law, the intent of the law, is quite manifest. The intent of the law says this: If we deprive you of the right to strike, Mr. Chairman, then when it comes to a final decision by the independent board of arbitration, we will honour that. He says it is a breach of honour and I agree with him wholeheartedly. It is a breach of honour to go before the AIB and resist implementation of the award in the context that the negotiators for the government did.

They could go before the board and say: "We believe, frankly, Mr. Pepin, that the award is outside the guidelines." To go and actively resist is, in my respectful submission to all our colleagues, a breach of honour in the circumstances. I subscribe to and associate myself entirely with the remarks of Mr. Edmunds and the association in that connection.

All this brings us to ask you several questions [if I may get back to the text]. Is our belief in obeying the law not valid any longer in this society? If the political party in power can select laws and ignore and break them for their convenience, can other residents of this province do the same? Does your cabinet take precedence over the provincial Legislature?

It's a very important thing.

Again, if I may bring to the attention of our colleagues, through you, Mr. Chairman, the essence of another argument that we put forward here: It's one thing to sign an agreement—be it valid or invalid, be it legal or illegal—it is terrible, arrogant effrontery to this legislative assembly to sign it on the basis of a federal order in council, without even giving us the opportunity to debate the consequences or the propriety of the execution of the agreement. That is all that man is saying. He says:

[Must we now become militant and cause disruptions and contravene the law to obtain what is rightfully ours as determined by the due processes of the law? Mr. Premier, the answers are yours to provide. We implore you to take this

matter in hand and correct the situation before it grows beyond control and drastic actions occur. Order your people to obey the laws of this province and sign our contract. Prove to us and the other people of this province that our laws are to be honoured and obeyed. The urgency of this situation requires your immediate reply.

It is signed by Mr. Edmunds on behalf of the association.

I think nothing can speak more eloquently on the specific thrust of the general concern we expressed previously as far back as October last year. There is a breach of honour there. If you are developing a personnel policy I find it hollow to expend some \$800,000 on the development of personnel policy when really the ultimate aspect of almost all personnel policy resides in the federal Anti-Inflation Board.

Hon. Mr. Auld: First of all, I think we were getting into the staff relations branch which is in a later vote, but I didn't want to interrupt because we might as well deal with this at the moment. I would point out to the hon. member that the Liquor Licence Board and the Liquor Control Board are separate entities. They are not part of the civil service.

Mr. Bullbrook: I am sorry. Are they not a designated board?

Hon. Mr. Auld: I understand that the chief negotiator for the Liquor Control Board and Liquor Licence Board is Mr. Evans, the assistant general manager, although our staff relations people are available to agencies and commissions if required.

Mr. Bullbrook: I am sorry, Mr. Minister, I don't mean to interrupt you but was I incorrect in assuming they were a designated board or commission with respect to personnel policy?

Hon. Mr. Auld: Yes.

Mr. Bullbrook: I was incorrect, was I? Personnel policy development, with respect—

Hon. Mr. Auld: They are an independent agency. We don't develop their personnel policy for them. We develop it for the operating ministries of the government.

Mr. Bullbrook: All right. Thank you, sir.

Hon. Mr. Auld: However, the staff relations branch is available to assist them if they require assistance.

The position, as far as I understand it, and you could deal with this in the estimates of the Ministry of Consumer and Commercial Relations, was that the boards took the position that they could not implement a pay increase in excess of the federal guidelines since the Anti-Inflation Board has indicated this is improper. Some companies, I believe, have been fined and some interim increases which turned out to be in excess of the guidelines were rescinded.

On April 23, there was a letter from a Mr. R. H. Dowdell, director of public administration division, compensation branch, of the Anti-Inflation Board, to Mr. Evans, assistant general manager, personnel and administrative services, Liquor Control Board and Liquor Licence Board:

The Anti-Inflation Board has just reviewed your submissions with regard to the 3,152 full-time employees and 316 part-time employees of the Liquor Control and Liquor Licence Boards of Ontario. Insofar as the part-time cashiers are concerned, we will not intervene in the introduction of the compensation increases provided. However, insofar as the full-time employees are concerned, the Anti-Inflation Board has decided that the increases are larger than can be accepted under the anti-inflation programme.

After carefully reviewing all the documentations submitted by the parties, the board is of the opinion that the programme of restraints should be implemented by restricting the first guideline in your compensation increases to the maximum permissible under the anti-inflation regulations, i.e. 11.31 per cent. The board has decided not to intervene insofar as the 10.06 per cent second guideline-year increase is concerned.

I may say that I understand that the arbitration award was something in the order of 20 per cent in the first year and 10.6 in the second. The board decided to roll back the first year.

Mr. Bullbrook: Do you agree that—

Hon. Mr. Auld: To pursue the other matter, I inferred—and perhaps I was incorrect—from what the hon. member says that had we had our own board we would have made a different ruling than the federal Anti-Inflation Board.

If we were to run by the federal guidelines—which are very clear—and say anything after Oct. 13 has to be within the guidelines—and you look at historical relationships and the variety of things—I am sure that any board

which this province would have had would come to approximately the same conclusions as the federal board, if we were operating under the same guidelines.

So I infer that the hon. member believes that if we had a provincial board we would influence it to be more generous with the public servants in this province than the federal board is.

Mr. Bullbrook: It is almost intolerable dealing with this minister, my lack of ability to convey to him my thoughts. That's the red herring the Premier casts back and forth at me all the time: You want to give them more money. That isn't it at all.

There is a basic distinction and a basic onus on government when dealing with final and binding arbitration under provincial statute, as opposed to normally negotiated collective bargaining award. I want the minister to understand, if I may, that the distinction being made is this: There is a law called the

Crown Employees Collective Bargaining Act. You see, if General Motors sits down with the UAW and after the normal process comes to a conclusion that it should be 24.2 per cent, then that's one thing. Then the AIB looks at that and says, in the context of economic and other conditions, we feel that that must be rolled back.

But when a statute on the books of Ontario, to be administered by a government, says when you come to a conclusion—and I am not interested in whether the figures are 20 per cent or 80 per cent because one presumes that a three-man board comes to a fair, just and equitable conclusion on the basis of the evidence given to it—now, there is where the dichotomy arises, because you have a statute of the Province of Ontario which says that award is final and binding. That's what Mr. Edmunds is talking about.

The House recessed at 6 p.m.

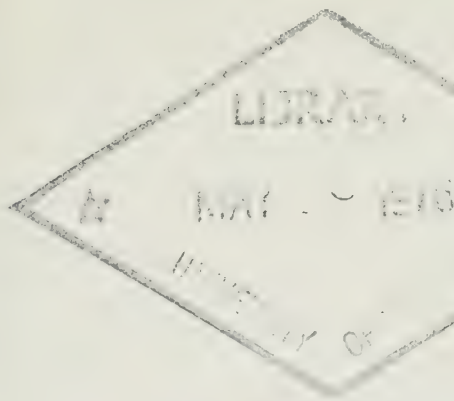
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 Bain, R. (Timiskaming NDP)
 Bennett, Hon. C.; Minister of Industry and Tourism (Ottawa South PC)
 Bernier, Hon. L.; Minister of Natural Resources (Kenora PC)
 Bounsall, E. J. (Windsor-Sandwich NDP)
 Breithaupt, J. R. (Kitchener L)
 Bryden, M. (Beaches-Woodbine NDP)
 Bullbrook, J. E. (Sarnia L)
 Burr, F. A. (Windsor-Riverside NDP)
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 Cassidy, M. (Ottawa Centre NDP)
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 Good, E. R. (Waterloo North L)
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)
 Henderson, Hon. L. C.; Minister without Portfolio (Lambton PC)
 Kerr, Hon. G. A.; Minister of the Environment (Burlington South PC)
 Kerrio, V. (Niagara Falls L)
 Laughren, F. (Nickel Belt NDP)
 Lawlor, P. D. (Lakeshore NDP)
 Lewis, S.; Leader of the Opposition (Scarborough West NDP)
 MacBeth, Hon. J. P.; Provincial Secretary for Justice and Solicitor General (Humber PC)
 MacDonald, D. C. (York South NDP)
 Maeck, L. (Parry Sound PC)
 Makarchuk, M. (Brantford NDP)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
 McKeough, Hon. W. D.; Treasurer, Minister of Economics and Intergovernmental Affairs
 (Chatham-Kent PC)
 McMurtry, Hon. R.; Attorney General (Eglinton PC)
 Meen, Hon. A. K.; Minister of Revenue (York East PC)
 Newman, B. (Windsor-Walkerville L)
 Parrott, Hon. H. C.; Minister of Colleges and Universities (Oxford PC)
 Philip, E. (Etobicoke NDP)
 Reid, T. P. (Rainy River L)
 Renwick, J. A. (Riverdale NDP)
 Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)
 Riddell, J. (Huron-Middlesex L)
 Ruston, R. F. (Essex North L)
 Samis, G. (Cornwall NDP)
 Sandeman, G. (Peterborough NDP)
 Singer, V. M. (Wilson Heights L)
 Smith, Hon. J. R.; Minister of Correctional Services (Hamilton Mountain PC)
 Smith, S. (Hamilton West L)
 Stephenson, Hon. B.; Minister of Labour and acting Minister of Health (York Mills PC)
 Timbrell, Hon. D. R.; Minister of Energy (Don Mills PC)
 Villeneuve, O. F. (Stormont-Dundas-Glengarry PC)
 Warner, D. (Scarborough-Ellesmere NDP)
 Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)
 Wells, Hon. T. L.; Minister of Education (Scarborough North PC)
 Wildman, B. (Algoma NDP)
 Williams, J. (Oriole PC)
 Yakabuski, P. J. (Renfrew South PC)



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Third Session of the 30th Parliament

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Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

THURSDAY, APRIL 29, 1976

The House resumed at 8 p.m.

ESTIMATES, MANAGEMENT BOARD OF CABINET (concluded)

On vote 502:

Mr. Chairman: When the committee rose at 6 o'clock, the hon. member for Brantford was speaking.

Mr. Makarchuk: I was not speaking at that time, Mr. Chairman, but we were dealing with vote 502. I think the member for Algoma (Mr. Wildman) was prepared to speak. However, I do have a matter which I wish to raise with the minister regarding this particular department. And this is a matter again that where you have a group of people who are involved with the administration of the—

Hon. Mr. Henderson: Mr. Chairman, you should note there are no Liberals over there. You are in pretty bad shape over there.

Mr. Chairman: Order, please.

Mr. Makarchuk: I don't mind, Mr. Chairman; I don't find him very disturbing.

Mr. Chairman: The hon. member for Brantford will continue without interruption, please.

Mr. Makarchuk: Mr. Chairman, I used to live on a hog farm once and I found that you can get quite acclimatized to it, so I don't mind the noise from over there. Anyway, Mr. Chairman—

Interjection.

Mr. Makarchuk: —let me tell you what is happening in some of the institutions in Ontario. I will give you an example of what I mean. It really strikes me that the sort of a committee that is charged with a very intelligent handling of events is behaving like some mindless twit. Let me tell you what you do. As a result of your cutbacks in the institutions, you have been taking people with certain skills — as an example, with nurses' aid training and so on—and because

there is a desire to preserve their job or their work, you have been taking these people from the wards and putting them to work in other work areas, namely cleaning.

Can you kindly explain to me why do you do a thing like that? Just exactly what function does it fulfil? I realize that perhaps you will have certain bookkeeping entries that will show you have a cutback here and perhaps you are allowed an increase somewhere else, but surely in the interests of sanity and in the interests of preserving some of the programmes that go on in the hospitals, you shouldn't be doing those kinds of things. You shouldn't be taking skilled people—and I congratulate the local people on their efforts in trying to preserve the jobs of these people—but surely it is rather a silly way to go about doing things. I would like your comments on that.

Hon. Mr. Auld: Mr. Chairman, the cutbacks described by the hon. member are in all ministries. I am not aware of how the Ministry of Health works in detail, and the only thing I can suggest to him is that it is a question which probably should be asked of the Minister of Health in those estimates. Management Board is not involved in the operation of hospitals, whether they be provincial hospitals or local hospitals.

Mr. Makarchuk: But your civil service commission has some power in administering these people; these people are civil servants. Admittedly, the provincial hospitals have some power to carry on and make these decisions but, surely, your civil service commission has some say in this matter. I assume it would at least be interested, as you say, in utilizing these people to the best advantage in the public interest. You're hardly acting in the public interest when you do things like that.

The other thing, again, that bothers me, and I've received complaints on, is the matter of the workers, the temporary or contract workers you take on at reform institutions. Time and time again, people who are permanently employed in reform institutions come to me and complain that they have inadequate staff; the people you take on—the temporary people taken on—cannot cope should a

possible emergency arise; they cannot do an adequate kind of job and programmes in existence are being destroyed and so on. In the long run, you may save the odd little shekel because you don't pay him as much and you don't give him the fringe benefits and they don't have some of these things. But in the long run, again, you're going to spend more money, it's going to cost more money. The chances are that somewhere you're going to have a rather violent incident for which you're going to have to answer one way or another.

Again, surely, this is something that your civil service people should examine. You have had the problem in Huronia where you had the killing of an individual. You have similar situations developing in other institutions in Ontario because you are cutting back; you are shuffling staff. What you're doing is you're taking away young, experienced staff in the interests of seniority, which we acknowledge has to be there. But you're taking away staff and you're letting situations develop which are potentially dangerous now and eventually could result in some rather tragic situations in this province.

Again, if this is your responsibility, your Civil Service Commission certainly is charged with some of that responsibility. Surely to God, you should look at these things and consider the consequences of what you're doing.

Hon. Mr. Auld: Without going into detail, the hon. member is correct. Correctional Services has had a great many contract people and part-time people because the workload has increased rather dramatically over the last four or five years and it has not had the complement—the number of people it has to look after it.

One of the reasons the Justice policy field received one of the large percentage increases in the budget was to deal with this very subject. There's no doubt about it—I won't argue with the hon. member—Correctional Services has had to deal with its workload because it didn't have complement by using, say, two people on half days a week for one job; that kind of thing. I expect that in the course of this year it will have additional complement allotted to it and will be able to rationalize or legitimize a lot of the things it has been doing because it just didn't have the complement.

I can assure him I don't know that every single problem will be resolved. Again, I am aware, although not of all the detail, that for Correctional Services, in many of its

institutions—what used to be called the county jails—it is very difficult to anticipate how many people it will have to look after at any one time or over any one weekend. It will always be having part-time staff but we expect by the end of this year and perhaps sooner than that to have sufficient complement in the institutions which run sort of full-time to deal with the problem the hon. member mentions.

Ms. Sandeman: I hope when the minister says that Correctional Services will be getting additional complement in the institutions that that isn't going to be done in the same way as Correctional Services received additional complement in community programming. It was announced that there would be 20 additional complement adult probation officers but when one looks at the estimates one finds there is no extra salary allotted. One obviously asks the questions: How are you going to pay these people? Are they going to do it for love?

When you pin the ministry down you discover that these extra complement people are in fact people who are already on staff with contracts and who are just going to be shifted from the contract to the complement staff load. There are no new staff. There are new complement positions, but there are no new bodies. I hope that is not all that is going to happen in the correctional institutions.

Hon. Mr. Auld: Again the hon. member should inquire of the Minister of Correctional Services (Mr. J. R. Smith) in his estimates about the detail. I think it is fair to say there is additional money allotted to Correctional Services. I suppose one might speculate that if they had additional people working in the past on contract, say, three people to cover the one job because they were working part-time, that the cost of a full-time person would be very little more, if anything.

Vote 502 agreed to.

On vote 503:

Mr. Makarchuk: I'm just interested in vote 503 again where the Civil Service Commission, the ministries, etc., are provided with the resources which will enable them effectively to realize the government's objectives. I wonder if the minister at this time could indicate to the House as to whether he has embraced, wholly, totally or partially the objectives that have been outlined in the Henderson report? How are you making your cutbacks or restraints or whatever you want

to call them? Are the decisions made by this group on the basis of the Henderson report or are they made in some other way?

Hon. Mr. Auld: The so-called Henderson report affects every ministry. Management Board does not deal with the implementation of the Henderson report. That is a matter that the whole cabinet is dealing with. I would say, repeating what the Premier (Mr. Davis) has said—as a matter of fact as recently as yesterday in meeting with the Ontario Federation of Labour—that there are some recommendations which are being implemented almost fully. There are some that may well be implemented partially and there are some that the government may never implement or may not even accept. I'm afraid it's not within my responsibility to try to answer for every ministry in the government.

Votes 503 and 504 agreed to.

On vote 505:

Mr. Wildman: Earlier this afternoon one of the members of the Liberal caucus was commenting on the government's abdicating its responsibilities. It's interesting, when you look to our left here, how scarce they are.

Mr. Samis: Where have all the Liberals gone?

Mr. Eaton: It should be recorded that it's 8:15 and the first Liberal enters.

Mr. Wildman: I want to welcome the member who has just arrived as the sole representative of the Liberal caucus.

Mr. Cunningham: I care enough to come.

Mr. Samis: Are you the critic of Management Board?

Mr. Cunningham: We are all critics of that.

Mr. Wildman: In vote 505, I would like to deal with some questions about collective bargaining. First, I would comment on the fact that although the government makes such a play of the fact that it is keeping down the total number of the civil service, there seems to me to be a lot of so-called part-time employees, people who are in so-called non-recurring jobs.

I know of cases of people who work for the Ministry of Natural Resources, for instance, who have been in so-called non-recurring jobs for nine to 10 to even 15 years. It seems to me quite unfair that people in these kinds of positions who work for the ministry year after year should be laid off

for five months so they can still be called casuals, then are rehired and are not qualified, because they are casuals, to get the kind of benefits that the other employees of the government receive, nor are they qualified for pension and so on.

[8:15]

I just wonder if the minister, at some time during the discussion of these estimates, could tell us how many people are in this position. How many people are employed by the government in so-called non-recurring positions but are hired year after year to be laid off for the required time and then rehired?

It seems to me that this is a very bad practice and one which discriminates against these workers since they are not eligible for the benefits that are negotiated by other workers employed by the government. Having said that, though, I would take note of the fact that many part-time employees have now become members of the OPSEU or, without being members, are now covered by their collective agreement. But they, themselves, are also casuals. Again, it's my understanding they have not been treated in the way that they should be according to the collective agreement.

For instance, I have a large number of cases here of people in Blind River who are in the employ of the Ministry of Natural Resources. They are so-called casuals who, because they were laid off and then rehired, have been denied their sick leave, their bereavement leave, their compassionate leave, maternity leave and so on, because of the collective agreement which was arrived at through arbitration where it is stated—at least this is the government's position—that where they have been laid off and rehired, they can no longer have the accumulative sick-leave benefits that they had built up in the past and they are now denied those sick-leave benefits. It is the position of the union, of course, that this is not acceptable. They have filed a grievance, as of April 8, which has yet to be ruled on by the arbitration board. I believe they're meeting on May 4. I'm not certain of that date.

It seems to me that if the government is going to employ people, and in this case people who are supposed to be covered by the collective agreement that governs the unionized workers of the government—the employees of the government—then these people should be allowed to have the benefits that are negotiated, or at least have been accepted in the past under the Act, as benefits that employees of the government are entitled to.

Apparently the government's position and the minister's position is that they are not entitled to these benefits because the arbitration award did not give them the benefits. In the past, before they were unionized, they had those benefits, which seems rather ironic, because it was set down in the Act as part of their benefits.

The union, of course, maintains that it is untrue; that they do not have these benefits simply because it wasn't part of the arbitration award. The union claims that they are laid down under the Crown Employees Collective Bargaining Act and that they cannot be taken away by the government simply because they aren't awarded in an arbitration agreement. As I said, the union has filed a grievance which will hopefully be ruled on in May and the arbitration board hopefully will clarify the situation.

I would hope that the government would rethink this whole thing and would give the casual employees they have now the benefits that they give to other employees. When I say casual employees, I don't mean the truly casual ones. I'm talking about the people who have worked for ministries for years and years but who are still classified as casuals and are laid off. The federal government picks up the tab for a few weeks each year in unemployment insurance benefits and then they are rehired again.

Obviously, if they are rehired, these are not so-called non-recurring jobs; these are jobs that are necessary on a continuing basis. And if the people are performing a service for the government on a continuing basis, then they are entitled to the same benefits as all other employees, through the negotiations.

I'm talking mostly about the Ministry of Natural Resources, but it is interesting that not all ministries have treated these part-time employees in the same way. Apparently the Ministry of Health, for one, is continuing the same rights and benefits for its part-time employees as it has always given them under the Act; I'm not certain about that, but that's the information I've been given.

I would like to know a number of things. First, why are there so many so-called casual employees hired over and over again on a continuing basis? Why are they not given the benefits that other employees are given? Why aren't they classified as full-time employees if they are going to be hired so many times? And as far as the employees who are covered by the collective agreement are concerned, how can the government justify discriminating against these employees simply because they are so-called part-time employees?

Hon. Mr. Auld: First of all, without repeating the statement I made in the House two weeks ago, there are many jobs that are totally seasonal in nature—tree planting and snow ploughing, for instance—and, as the hon. member said, some of these jobs are required two months, five months or six months every year but not year-round. Consequently, there are seasonal employees who work full-time but they don't work the whole year.

The hon. member is aware that the union signed the agreement to which he referred and obviously accepted the award of the arbitration board and so on. I would say this too: There is no prohibition against a ministry carrying over benefits—and I'm aware of many people in my own riding, just as there are in Algoma, who are good employees and who work every winter on snow ploughing, sanding or something like that, or who may work every summer—probably they are different people—in tree planting, park operation and that sort of thing. There is no way that the taxpayers can pay for tree planters working 12 months a year.

Mr. Wildman: That is not what I am asking.

Hon. Mr. Auld: Regarding the point that he mentioned about some ministries carrying over benefits for sick time and that sort of thing; as long as the ministry has the funds to do it, there is no prohibition against doing it, but we have to go strictly by the terms of what has been agreed with the union. If a ministry so chooses or does not have the money to carry over those benefits to the following year, because the benefits cost money if they are used, then there is no requirement for them to do it.

Mr. Wildman: Mr. Chairman, I accept what the minister says, but I am not really talking about people who are in truly seasonal work. In the cases I've got here, these people are clerks, typists and people like that, who work for the Ministry of Natural Resources. They're not planting trees. They work most of the year, then they are laid off and then they are rehired. Up until this time they have been covered by these benefits; they've been able to accumulate sick leave under the Act. Now because the union has agreed, or at least there has been an arbitration award for a contract and because of the interpretation put on it by the ministry, they are now denied these benefits. It's my interpretation or understanding that the union never really understood it to be the way the ministry seems to understand it, that the benefits preferred by the Act, because they were not

a part of the arbitration award, would then be denied. Since they are not denied to clerks in other ministries, such as the Ministry of Health, why on earth are they denied in this ministry? As I said, the union is grieving on this and it has yet to be decided.

But I have quite a pile of these letters from clerks and typists. In this case, this person was employed for nine months, laid off for five weeks and then rehired. She had built up 21¼ days of accrued sick leave and, of course, statutory holidays and so on. Under the old classification she was eligible for these things and now she isn't. I'd like to know why.

Why is it that the treatment differs for so-called part-time employees who work for nine months of the year and then are laid off and then rehired on a regular basis for years? Why are they treated one way in one ministry and not that way in another ministry? Why are these workers who are rehired—not for seasonal employ but as clerks, typists—why aren't they treated like everyone else in the public service?

Hon. Mr. Auld: Mr. Chairman, I would assume that if what the hon. member indicates is correct—and I'm sure he believes he is correct and he may well be—I would be glad to have the Civil Service Commission look into specific cases. I know that there are those who do use some people on a seasonal basis as well as the actual operating people. I also understand that their policy in the past has been that they accrued attendance credits. If there's been some change I'm not aware of that and if he would like to give me the details, I'll ask the commission to inquire.

Mr. Wildman: I'd be glad to do that. The union has filed a grievance with the arbitration board and it's to be heard. The people you are talking about are separate from this, I think. I'm not certain about this but I understand the people on seasonal work—like those planting trees and in woods management and forest management and so on—are not or never have been protected by the union. I'm concerned about their position, too.

I know of one person, a friend of mine, who has worked in the Wawa district for Natural Resources. In fact there are two of them—one who has worked for Natural Resources for four years on a non-recurring job in forest management, and another who's worked for nine years, and he has told me of a fellow who's worked for 15 years. They

have been laid off each year during the winter and then rehired. I suppose this is seasonal work, but obviously these people are valued employees or they wouldn't be rehired.

Secondly, it seems that if they are doing a job that is required and needed by the government, and they are, they should have the right to the benefits that other workers have who are employed by the government. It seems somewhat discriminatory to me that they don't have these kinds of rights. But those people, as I understand it, are not members of the union and are not covered by this agreement. The people I'm talking about right here are, however, covered by the collective agreement, although they are not full-time employees.

Mr. Warner: Quite simply, to the minister, could he tell me what his definition is of the common terminology which is known around this building; an "11-month employee"? What kind of person is an 11-month employee? And could he tell me whether or not that terminology applies to any persons who are employed within the confines of the legislative assembly or any other agency of the Province of Ontario?

[8:30]

Hon. Mr. Auld: I'm afraid I can't define what the hon. member calls an 11-month employee. But it could well be that that might apply in Correctional Services where they were short of complement, and had laid off someone for a month because they didn't have the complement for him or her. That's the only guess I can make. Frankly I had never heard the term before—and I don't lead that sheltered a life.

Mr. Warner: I am not suggesting that the minister has led a sheltered life, but the term "11-month employee" is one that has been bandied about here for some time in reference to those persons—as indicated by the member for Algoma—who are hired for 11 months, then released, and rehired so that no benefits will be accrued to them other than minimum wage or slightly above. It means no pension, no OHIP premium and so on is paid by the employer, in this case the government. It is a very serious problem to those who are employed by the government of Ontario in this way. I thought that you, as Chairman of the Management Board, would be familiar with the term 11-month employee. If it has not come to your attention, I would appreciate your looking into it, and reporting back to us later about the status

of those persons who are employed as 11-month employees.

Hon. Mr. Auld: Mr. Chairman, perhaps I misunderstood the hon. member for Algoma but I think he was talking about almost-permanent part-year employees who come back and do the same kind of a seasonal job each year. I assume that the hon. member for Scarborough-Ellesmere is talking about a method of getting around the complement control.

As I said in my statement in the House two weeks ago, one of the things we have done is to put a freeze on the re-employment of contract people when their contract expires, until we know whether it is truly seasonal or whether it is a way around the complement control.

Mr. Makarchuk: I just want to get back to something the minister said earlier about the fact that since a lot of the work is seasonal it is consequently difficult to continue employing the people through one season to the other. I would like to draw the parallel that exists in many city-works departments where they have a similar situation. In some cases students are hired and of course it's expected they will be going back to school, but a lot of the people, particularly in the parks department, are the kind who are used during the summer in tree planting, park maintenance and so on but with a little bit of careful planning most cities manage to keep them employed all year around. They know the staff they have and have things planned to ensure that there is work the year around. I don't think any city ever lays off a great number of people.

There are exceptions, but it should be possible for various departments of government—and I gather some ministries are managing exactly that—to employ people all year around. So why isn't the Civil Service Commission, or the people who are charged with this responsibility, trying to do something of that nature, to plan out the work to see what staff they have got and if there is no work, it might be to your advantage to make sure that you create the kind of work as the seasons change that would employ these people.

I think it is much more beneficial to society to have them working and paying taxes instead of sitting and being paid by the taxpayers. Why isn't that done?

In other words, this is the kind of thing that has been discussed in your estimates year after year. People are wondering why you pursue this kind of policy.

Why do you have these seasonal employees? Over and over again you keep them for 10, nine, 15 years but surely there comes a time that perhaps this isn't the way to operate. These are people. They would like to have jobs. They like to work. They have commitments. You know you can't eat only six months of the year. You can't pay the mortgage or you can't make the car payments for only six months of the year. Usually—not usually but always—these demands are there for 12 months of the year. So why don't you give them a chance? Try to work it out with your ministries so these people can work consistently all year round.

Hon. Mr. Auld: It may be possible in some parts of the province to do this. There could be different needs in different seasons for roughly the same number of people by different ministries. But in some parts of the province where the distances are so great, it might never be possible. However, with the unclassified staff now part of the bargaining process, it may well be that in agreements in the next few years there will be different provisions for seasonal people where they are doing the same thing each year for the same ministry.

It really becomes pretty complicated in trying to keep people properly employed, say, in three seasonal jobs—spring, summer and winter or something like that. It may be a little simpler in southern Ontario but in Algoma, for instance, I would think the distances are pretty great. The chap who lives in Wawa and is doing something in that immediate area would find it very difficult to commute to Sault Ste. Marie.

Mr. Makarchuk: Mr. Chairman, on the same point: One of the things you would expect governments to be doing is to try to discover ways and means of ensuring that (a) there are jobs, and (b) that the jobs are there all year round. As I said, the cities manage to do it. They also have the seasonal problems. They're subject to exactly the same kind of weather conditions. The works department in the Sault does not lay off a great number of people every time winter or spring or whatever season it is rolls around. Yet your department will do that kind of thing—not necessarily your department, but departments of this government will do that kind of thing.

The other point I'd like to stress concerns a problem we have in Canada, and I suppose it's a problem in other countries that have severe changes of climate. But other countries—Sweden particularly—are moving in the direction of ensuring that there is year-round employment. We manage to bring about this kind of

employment in construction, etc., where you can work despite the weather. They are doing a considerable amount of research in that and they are planning ahead.

I think this government should be moving in that direction. You should be trying to find out what things can be done and trying to bring about that kind of equalization of employment. If anything, the government should at least try to set the pace or lead in this area.

We realize there's no obligation on private enterprise because they have their obligations and their moments when they could be more efficient and certain things cannot be done. They are not equipped to go in depth into the kind of research I'm referring to, to find out exactly what they could do. But even in the construction industry you'll find that 10 to 15 years ago construction in the winter-time slowed down to a considerable extent. Today, that's not the situation. There have been methods discovered to keep working all year round—with the exception of when you have some rather severe storm conditions.

Somehow I feel this government should not continue to lay off these people and run in this cyclical manner—it really is not economically beneficial. You may think you will have money in the spending of one ministry, but you'll probably pay it out at the other end. The taxpayer eventually still pays the shot for these people not working. That should be one of the directions in which you should be moving, among many others, of course.

Mr. Wildman: Mr. Chairman, I think it's important to realize we are raising a number of issues here. They are issues which are not just applicable to Algoma but throughout the north, and I'm certain throughout the province, not just in northern Ontario. But I know of the experience in northern Ontario and especially of the experience in Algoma.

The hon. minister has commented about the seasonal employees. I could accept his explanation if I didn't have these cases of clerks and typists. No matter what kind of snowstorm you've got, if you've got a building you can still type. I just don't understand why these people are laid off and then rehired without sick leave benefits. As I said, I appreciate the hon. minister's comments that he would look at these cases and have them reviewed. As I mentioned earlier, the union is grieving on those.

I'm also very concerned about the other workers we've been discussing. I agree with the member for Brantford that perhaps the ministry should be looking at ways of keeping these people gainfully employed because

they want to work. They want jobs; they don't want to be laid off. There are lots of jobs in the ministry that could be done in wintertime. Considering the problems of moose and deer and other game in winter-time in the north, for instance, there could be increased management to enable the cutting of cedar, for instance, to enable deer to survive in the winter. These people want to be employed. Instead of having them extending the time of employment right now, it's going the other way.

In the Wawa district, I understand there is some intimation that these people will no longer work for nine months of the year as they have for a long time now. They may be cut back to eight or seven or six months because—

Mr. Chairman: I must remind the hon. member that the Management Board doesn't have the responsibility for the employment or the job descriptions of every ministry within government.

Mr. Wildman: Thank you, Mr. Chairman. What brought this up, of course, as you realize, is an agreement which is negotiated and is under the purview of this ministry. It relates to the problems of the other casual employees. I would certainly hope the government some time, if not in this ministry's estimates which are most involved in hiring these kind of employees, will table the number that it has had employed for a long period of time. The Ministry of Natural Resources has never given me this information. I beg your indulgence in dealing with this because it is a very important issue.

Mr. Chairman: Any further comment on vote 505?

Mr. Samis: There are only four Liberals here.

Mr. Worton: Let that be noted too.

Mr. Samis: Harry is here. Let that be recorded.

Mr. Cunningham: Thanks, George. We're going to get you some time, I want to tell you.

An hon. member: Let that be recorded.

An hon. member: You always do it.

Mr. Cunningham: Mr. Chairman, I'd like to concur very briefly with the sentiments expressed by the member for Algoma and very articulately by the member for Brantford. Without going into a great deal of de-

tail, I think that you, sir, as the minister responsible for the Management Board, and I suppose as the symbol for employment in Ontario by people who work for the Province of Ontario, should hear and more appropriately understand the frustrations, quite sincerely, that many people in this province feel toward the government that they work for.

Earlier today the hon. member for Sarnia (Mr. Bullbrook) very appropriately described the frustrations experienced by people determined by this government to be essential to our being, I suppose—the Liquor Control Board of Ontario—indicated very sincerely the concern of those employees who obviously, by the tone of the letter expressed by the member for Sarnia, have tried to deal in good faith with their government.

They have lived up to the law. It would appear they have been very fair and very concerned. It would appear—from my point of view and I know that the members of Her Majesty's Loyal Opposition would be inclined to agree with me—they have been treated in a somewhat shabby fashion.

I suppose that brings us to the relationship that so many of the employees of this government have with their government. I think part of the frustration must stem from the confusion that exists between the relationship of contract employees and the vagary that exists in that. Certainly as a new member, I must admit some frustration in understanding the basis of their participation.

[8:45]

For instance, from the 1974-1975 public accounts, it would appear that Drake Advertising, Foster Advertising, Hicks Morley, McConnell and McLauchlan Mohr, have somehow gleaned three-quarters of a million dollars from the government of Ontario. I'm somewhat hazy as to how they participate, what relationship they have with the employees of the government of Ontario, how they would interrelate and, I guess more importantly, how those particular firms participate with the government of Ontario and do business with it.

My prime concern, I suppose, is the relationship of the employees of the Province of Ontario and the position they may be forced to be in as a result of our participation in the anti-inflation programme of the federal government. I must say, while I'm not as articulate or nearly as informed as the member for Sarnia, I'm sure I can appreciate the feelings expressed by him about the method in which the Province of Ontario would be inclined to participate with our federal gov-

ernment in that programme. As the member expressed earlier today, I don't think any one of us in this Legislature would be inclined to want to dissociate himself from the aims and the ideals necessary of the anti-inflation programme. I think that if it works, it is clearly going to be of benefit to the entire population of Canada. At the same time, I must say that the legal ramifications of that participation bother me greatly.

I'm very worried about the kind of position that not only the teachers and the various public service elements of the Province of Ontario are going to be put in, but also various essential services as defined by the government of Ontario, such as the Liquor Control Board, if the agreements that we decide in Ontario to be valid are going to be deemed invalid and inappropriate by the federal Anti-Inflation Board. Again, I would like to echo the comments of my fellow member from Sarnia in that, while I bear no malice to Jean-Luc Pepin, I do not feel that that individual in Ottawa—I don't care whether he is a Liberal, a Conservative or what he is—is either capable or, more appropriately, accountable to the people of Ontario. I guess that's the fundamental fact here, that he is not accountable for the decisions that we in this Legislature are charged with making. We are going to be accountable next election for those decisions and, whether we are members of the loyal opposition, the Liberal Party or the government party, I think it's going to be incumbent upon us to answer our constituents, and the people who are going to be inclined to question us at election time, as to whether or not we have dealt with these people in good faith and whether or not we are doing them the justice that we are required to deliver by constitutional obligation.

I guess that brings me to the use of Management Board orders and the relationship that these board orders would place upon people who are involved in the public sector. Not too long ago, we raised the question of the use of these Management Board orders in supplementary estimates. To me, as a new member—and I must admit very frankly and candidly that I'm not entirely aware of the process here—it seems odd that we would see before us two orders totalling somewhere in the area of \$77 million for the purpose of education, I understand. The minister mumbled something in the Legislature about some extra paperwork that might be involved or required for these supplementaries. I suppose he could have mentioned that they also require some amount of public debate and

discussion in the House. Again, I would suggest that that is our responsibility in this Legislature and one to which I think that we should direct ourselves.

These Management Board orders only surface in the quarterly reports to the Treasurer (Mr. McKeough) and in detail, I suppose, in the auditor's report many months after the fact; by that time, the money is spent and the issue is history. I suppose that in many ways the amount of money that is spent relates directly to the relationship of employees in this province and the amount of money that we may be able to extend ourselves in their direction.

Why is it taking so long to come out with these controls and the reporting mechanisms for this sort of thing? The public accounts committee has been concerned for a number of years I'm told—since long before I came here—and it has urged in one or two of its reports that something should be done to bring us into line with other jurisdictions. The legislative committee looking at the Camp report is now considering the same sort of thing.

I ask you, Mr. Minister, why has this kind of thing taken so long and what will the ramifications of this kind of delay be on the many people involved in working for the government of Ontario? Will the Chairman of Management Board table these Management Board orders in the future from the last fiscal year, from maybe then to now, so that we do not have to wait for this audited report?

I suppose in the same light, I should speak very briefly on the relationship of the Ministry of Health in this regard, which ran short of money for hospitals in the final two months of the last fiscal year. I understand the sum was \$16 million, despite voting supplementary estimates of \$88 million. Again, the same thing would take place; the relationship of the kind of employees that we would require to hire, maybe on a day-to-day basis, to look after the needs of patients of Ontario, to maintain the kind of standards that I am sure we have all come to expect in the Province of Ontario.

The Health Minister at the time indicated that it would be made up, but there has been an apparent reversal of what was first intended and what they were going to do without originally.

What I would like to say, Mr. Minister, is we would like to know how this amount is going to be made up and how, in fact, it will be made up at the expense of next year's budget. Will it be done through Man-

agement Board orders, or by estimates? How much has been made up and when will it be completely restored?

Finally, I would like to speak on what I consider to be a potential inconsistency in what we have set down in our labour relation laws with regard to hospital employees, people who work in the public sector as teachers, and people who are deemed to be essential servants in areas such as the Liquor Control Board of Ontario. I think by virtue of our participation—without, I suppose, the benefit of approval of this House, with which we have been charged by our electorate—I think, quite sincerely, we have abrogated our responsibility to the federal government.

I would like now to get your views, as a minister of this government, as to whether this is by convenience. Might it be in order to facilitate the government of Ontario to say: "Well, it is now in the hands of the federal government and we are going to let them administrate these kinds of things"? Or, is it, Mr. Minister, some desire of the government of Ontario to deliberately abrogate our responsibilities, and fail to recognize what we constitutionally have been charged to do?

I would like your direction at this time, and possibly you might favour me—and through me, maybe, the people of Ontario—with the basis on which the Province of Ontario would tend to abrogate its responsibilities and, in turn, put the people who work for this government, either directly or indirectly, in the hands of a federal government which is not accountable to us at election time.

Hon. Mr. Auld: Mr. Chairman, in responding to the comments about this province's policy regarding the Anti-Inflation Board, I couldn't add anything to what I said this afternoon. It is not a Management Board policy, it is a government policy. I guess our position has been stated quite a few times by the Premier and by the Treasurer, and others.

I would like to try to answer his questions about Management Board orders. As he is probably aware, the Treasurer and I appeared before the select committee in connection with how we would give information about Management Board orders. The authority, of course, is in legislation passed by this House—the Management Board of Cabinet Act, 1971. I will quote from section 5:

Where an appropriation is exhausted, or a sufficient amount is not provided and the public interests or the urgent require-

ments of the public service necessitate further payments, the board, upon the report of the minister of the department concerned as to the necessity for further payment and stating the reason why the appropriation is insufficient, and the amount estimated to be required, may make an order authorizing payment to be made against such amount as it considers proper.

Generally, there are two steps. When a ministry believes that it has insufficient funds to complete some programme, and this applies particularly to so-called open-ended programmes in which expenditures are made of which we pay a percentage but we do not have a lid on—education, welfare, health—it is sometimes difficult to anticipate the individual expenditure. Something may be over-budgeted in one vote, under-budgeted in another.

I guess technically what we are doing is a transfer although the Act does not permit us to take money out of a vote. By sort of executive order Management Board can say, "We will allot you extra money in vote something on the understanding that you underspend by the same amount in some other vote."

That is perhaps oversimplified but the first step would be an authorization for commitment. Any ministry which finds that it may be overspent in a vote should and does come to Management Board and say, "This is what we understand." They estimate the amount; Management Board will then say, "You must find it somewhere else," or, "Obviously, you can't find it somewhere else." Perhaps in some cases it's statutory.

Then we must make provision, if we are going to keep the budget balanced, to find that amount somewhere else. Management Board can in effect, embargo unspent amounts in other items in that ministry or, in fact, I suppose, in other ministries.

It is not until the ministry can come to Management Board and say, "Our estimate was accurate" or, "Our estimate was too low," or, "Our estimate was too high; the real amount we need is so much" that the board issues an order.

If there are supplementary estimates and those supplementary estimates are dealt with in time for the payment to be made—this can be a complication when you are dealing with municipalities which have a different fiscal year—it may not be necessary to have a Management Board order. The first Management Board order in 1975-1976 was last September. The vast majority of the Management Board orders—and there were 92 of them last year—

were in the last two months of the fiscal year. A great many of them had to do with salary awards.

As I mentioned earlier in relation to that new item in the first vote, in the past there have never been provisions in ministry salary budgets for salary awards because we weren't sure what they might be. Generally, in recent years they were determined by arbitration. That is one particular field.

I will give the hon. member the gross figures—sorry; there's one other step.

The Management Board order is issued; it may not all be spent. It will never be overspent because the ministry cannot spend more than it has in its budget and whatever may have been added by Management Board order. It may well be less. I think the pattern in recent years has been if the Management Board orders, say, total \$200 million when the smoke cleared away and the auditor had audited everything it was something between five per cent and sometimes 10 per cent less than that amount. It cannot be more.

The pattern now—this is a very preliminary pattern as of the beginning of this week because the books closed on fiscal 1975-1976 last Friday—is that there were 92 Management Board orders totalling \$290 million, less offsetting savings, as I have mentioned, in which amounts were embargoed, to \$33 million, for a total of \$257 million. There were supplementary estimates—we had supplementary estimates in March—totalling \$207 million. We had statutory expenditures in excess of what was budgeted but had to be paid by statute, of \$139 million; and there were salary awards and minor things like that, totalling \$21 million, so in effect the amount of expenditure in excess of the budget was \$624 million.

[9:00]

However, there was the constraint programme of the Treasurer, the so-called mini-budget, last July, the supplementary action constraints of \$138 million and embargoes by Management Board of \$123 million, which reduced that total increase that I mentioned, the gross increase of \$624 million, by \$261 million, giving a total net increase which was shown in the Treasurer's 1976 budget as \$363 million. Actually his statement showed \$365 million but there were minor amounts of things that had been embargoed but had to be allowed of \$2 million, so we were within \$2 million.

I point out that the supplementary action constraints of \$138 million and the embargoes by Management Board of \$123 million, totalling \$261 million, more than offset the total

of Management Board orders of \$257 million. So, in fact, if you look at the whole picture you will find that first of all we had a net decrease in the budget rather than adding all these gross figures. I hope that sort of clarifies the picture.

I cannot give the hon. member details of the order that he mentioned about Health. As a matter of fact, I didn't get the details of it, but it has been the case as long as I have been around here and on Treasury or Management Board that there are always a great flood of orders from early March to mid-April, which have to do with salary awards, because that's about the time that ministries find out just where they stood. We have had authorizations for commitments beforehand, but they don't know the amount until about then.

Mr. Cunningham: Mr. Chairman, very briefly, I guess the basis of my concern here would relate to the responsibility that we have as legislators and the accountability that we must have to our constituents, the people who either vote for us or don't vote for us. I must admit to you very candidly that I find it very difficult to account for my actions here in participating in Management Board orders that I have very little control over. That's why I would like to say to you that if there is any way that this could be done through supplementary estimates, where we might have some sort of indication of what the expenditure is for or why it's necessary—and, I suppose more importantly, why it wasn't budgeted in the first place—then it would make my function here as a member somewhat easier.

I want to be candid with you. I am not an accountant; mathematics is not my forte at all, if in fact I have a forte, and I don't understand the whole process. I want to be very clear with you. It is something that I just don't understand. I don't know whether it's Parkinson's Law. You indicate that you had allocated \$261 million and you only spent \$257 million, and I don't know whether to give you a gold star for that or what.

I want to be very sincere with you. I don't understand it and I find it very difficult to explain that kind of expenditure to my constituents when I haven't had a chance to participate in any form of meaningful dialogue with you as it relates to those expenditures. I know things come up on a year-to-year basis, and the Treasurer's track record in this regard would indicate that we certainly can't be very accurate in our budgetary projections. I want to tell you, I have some confusion here and I don't know whether it

emanates from the fact that I am just new here, but I just don't agree in principle with this form of financing of the government of Ontario. I could see how we might do it for \$10 million or \$15 million or maybe even \$25 million, but to go to the extent that we have in the past indicates to me some rather loose accounting principles in the government of Ontario.

Hon. Mr. Auld: Mr. Chairman, just finally, I appreciate the hon. member's difficulty, because it is a very complex operation.

For instance, the Education amount is \$76.4 million in January. Education pays grants to the school boards on almost a two-year basis. They pay estimated grants right after a year for 95 per cent of the estimated expenditure and they pay the other five per cent about the end of that year, when the final audited figures from the boards come in.

Then they pay a part of the grants for the current year on two or three occasions. It's paid on a formula. And, of course, the school boards are anxious to have the money as close to or in their fiscal year, which is the calendar year. Of course, the province's fiscal year is April 1 to March 31.

In that January instance, the House was not sitting and it was not going to return until some time in March. It wasn't until about the middle of December that Education got the figures from the school boards for what the estimated amount was going to be. There were supplementary estimates prepared, but the House was unable to deal with them before Christmas. Consequently, to make sure that the school boards received the money to which they were entitled as soon as possible to cut down on their borrowing expenses and so on, that Management Board order was issued. Had supplementary estimates been done in December, they would have been included, assuming that the figure had been arrived at. This is one of the problems in dealing with a lot of grants to other organizations.

That amount I mentioned was within, roughly, 2.5 per cent of the estimates. And when you're dealing with \$11 billion, \$1 million is a lot of money. But percentage-wise, with open-ended programmes and so on, I think it's not doing too badly to come that close.

Mr. Chairman: Let me remind the hon. members that we are on vote 505 that deals specifically with the Public Service Appeal Board and staff relations. It would be helpful if you'd confine your remarks to those votes.

Mr. McClellan: I don't intend to speak at length but I wanted to bring again to the government's attention, and to attention of this minister in particular, the plight of a particular group of employees who ought to be able to claim the right of protection of the services offered under the employer relations programme and who cannot. I'm referring, once again, to the people who work in the cleaning and maintenance of Ontario government buildings under contract to people who receive contracts from the government for this work.

I assume that the minister is aware by now that the situation is something of a major community scandal, particularly in this city of Metropolitan Toronto. The people who work in the cleaning and maintenance of Queen's Park office buildings under government contracts are in the main immigrant workers, by and large, Portuguese, by and large, women. Many of them come from my own riding of Bellwoods and they are, quite frankly, exploited by the contractors.

This matter was brought to the attention of this government last fall when the odious practice was rather clearly revealed in the matter of the contract awarded to Consolidated Cleaning Services.

Mr. Chairman: Once again I feel compelled to remind the hon. member that item 505 deals specifically with appeal board and staff relations and has nothing to do with hiring.

Mr. McClellan: Mr. Chairman, this has to do with—

Mr. Chairman: If you look at the programme description, it's pretty hard to stretch it to include the cleaning of government buildings.

Mr. Warner: Equitable grievance?

Mr. McClellan: Equitable grievance, as the member said, appeal procedures as required by law, process of collective bargaining—all of these rights are denied to these employees. I won't belabour the point, Mr. Chairman.

Let me just conclude in about 30 seconds by saying to the minister that it is about time that your government, and I would suspect your ministry would be able to play a role in this, brought a fair wage provision into its tendering processes so we would not be bidding at the minimum wage level in the awarding of government contracts.

Secondly, you should bring in fair employment practice strictures in the awarding of

government contracts so we would not have employees victimized as they are presently under government contracts in the cleaning and maintenance industries.

Thirdly, you ought to consider bringing in union succession right clauses in your tendering process so that as workers organize, their unions are not busted, frankly, by the process of tendering when their contract expires as is the present practice.

Mr. B. Newman: Mr. Chairman, out of curiosity, I wanted to ask the minister how many appeals were heard by the appeal board?

Hon. Mr. Auld: I am informed that the grievance settlement board, since its formation last year until April 28, has received 59 applications; 15 of these were withdrawn; 14 were heard and two are incomplete. That means 29 were disposed of. For May, there are seven applications scheduled and the two incompletes are scheduled to be disposed of in May.

Mr. B. Newman: If an employee wishes to appeal the decision and does not reside in the Metro area, does the appeal board go throughout the province? Or are all appeals held here in Toronto?

Hon. Mr. Auld: I'm informed that the board has not had occasion to go elsewhere in the province, but there's nothing to prevent it. I suppose it's really up to the board and its members as to how they deal with the workload.

Mr. B. Newman: The amount of money being expended for the appeals is extremely substantial per appeal when you look at it on an individual basis.

Hon. Mr. Auld: On the other hand, though, the civil service union is here and the union normally assists the appellant and acts as counsel and adviser. I suppose in terms of cost it may be less costly for somebody to come here than for several people from the union to go somewhere else.

Mr. Davidson: Perhaps I should check with you first as to whether probationary periods of successor rights fall under this vote?

I would like to bring up again to the Chairman of Management Board the issue of the probationary period as it is applied to civil servants in this province. Perhaps sometime when I have finished, the minister may respond as to why he feels it necessary that a one-year probationary period for employees within the civil service be applied. I can't

understand it, particularly when you're dealing with persons such as clerks and other such people who perhaps have had experience prior to coming to work for the government.

The normal purpose of a probationary period is to determine whether or not that person is qualified. I don't think determining whether they are trustworthy or otherwise falls within the category of a probationary period. If some industries can determine whether or not a person is qualified as an employee within a period of 30 days—at the most it's an average of three months—I see no reason why government could not apply the same philosophy and set a much lower probationary period for new employees, particularly when, by having such a lengthy probationary period, you are taking away from those people the right and protection given to them under the collective bargaining process.

[9:15]

I also would like to bring to your attention, Mr. Chairman, the issue of successor rights—it has been pointed out by my colleague from Bellwoods, and others who have spoken here today. Perhaps you can answer something I raised this afternoon which I don't think you have responded to as yet, and that is the possibility of the conversion of psychiatric hospitals from the Ministry of Health to the community boards, a conversion that in all possibility involves some 9,000 employees who have contractual safeguards, who have negotiated wages, who have accrued sick leave benefits and pensions, etc. Is Management Board prepared to guarantee, first of all, the successor rights of those people as far as the contract is concerned? And if they are not prepared to give them the successor rights contractually, are they prepared to guarantee the provisions that now exist in the present contract without equivocation?

Hon. Mr. Auld: Mr. Chairman, first of all in connection with the probationary period, the hon. member is aware that as far as the benefits to the employee is concerned, there is no difference whether they are probationary or permanent staff. I understand that a probationary period of a year is rather normal for government service, and I think the hon. member is aware that once the person is on the permanent staff they have greater job security and greater benefits than in many other kinds of employment. I think it's quite reasonable to require a probationary period of up to a year where, again in government, a higher percentage of people make a lifetime career than in many industries. I see the hon.

member nods his head which I assume means he agrees.

Mr. Davidson: No, I just understand what you're saying.

Hon. Mr. Auld: In connection with the successor rights I would draw his attention to the amendments in 1974 of the Crown Employees Collective Bargaining Act, sections 49(a) and (b) which deal with successor rights as far as those under the Crown Employees Collective Bargaining Act are concerned. No doubt he is aware, under the Labour Relations Act, of the successor rights that are involved under that legislation. So that no matter which way some change might go, there are successor rights. I don't think that they are that much different either—although I'm not an expert on either, particularly the Labour Relations Act. But there are successor rights and there is protection in that field.

I was a little surprised when he mentioned 9,000 employees. While there have been comments from time to time over many years of the possibility of putting the provincial psychiatric hospitals under local boards, I have not yet heard any discussion that the status of the employees would change. Now, that of course, could happen, but I don't see it around the corner.

Mr. Davidson: One thing further, if I may, Mr. Chairman. The 9,000 figure was from the union which now represents those employees.

(Getting back to the successor rights, I'm fully aware, of course, of the successor rights that come under the Ontario Labour Relations Board, having been a union organizer for a good many years. I think the problem here though is—again I go back to the situation of the ambulance drivers in the city of Toronto last year—when they came out of Crown Employees Bargaining Act into the community boards, into what then would be the Canadian Union of Public Employees which falls under the Ontario Labour Relations Board, they took it before the Ontario Labour Relations Board and were told that the Ontario Labour Relations Board could not deal with it because successor rights were not transferrable from the one Act to the other. I would like to point that out to you and ask you, if that is the case, would you mind looking into it and seeing if perhaps something can't be done to protect the employees in that transfer?

Hon. Mr. Auld: I am informed that it was a relatively small group of employees moving

into the larger group which was under CUPE and that the employees involved accepted the benefits that related to the contract which CUPE had.

Mr. Davidson: If I may again, in certain things, yes. But in the case, for instance, of seniority rights, there were some who had approximately 10 years of seniority. The only guarantee they were given in that transfer after negotiations by both unions with each other and with the other parties involved, which included the Ontario Labour Relations Board, under the Crown Employees Collective Bargaining Act, was to carry 18 months' seniority into the new bargaining unit with them.

Hon. Mr. Auld: Without being familiar with all the details, I suppose it will not be unusual when people transfer from one union to another that they will lose some benefits and gain some. It may be that they sort of balance each other out. But I will be delighted to pursue the matter as the hon. member indicates and get in touch with him later when I understand it a little better.

Mr. McClellan: I simply wanted to ask the minister whether he might care to respond to the concern that I raised. We were promised by Mr. Snow, when he was Minister of Government Services, that there would be a series of recommendations forthcoming from the Ministry of Labour with respect to fair wage provisions in the practice of government tendering. That was about eight months ago. I wondered if you might comment on your own position at this point in time with respect to this problem.

Hon. Mr. Auld: Mr. Chairman, without incurring your wrath and talking about something that really doesn't relate to this vote, I would suggest that the hon. member might ask those two questions first of all, of the Minister of Government Services (Mrs. Scrivener) because these are not government employees so they don't relate to the Civil Service Commission. It is a contract done by Government Services. It is government policy for ministries, as far as Management Board is concerned in the manual administration, that the rules are that, if you can do it more economically and more efficiently in-house you do it that way, if you can do it more economically and efficiently by buying the service by contract, you do it that way.

Mr. Foulds: That's another way of saying, "if you can do it more economically by exploiting people."

Hon. Mr. Auld: As for the questions the hon. member raised about the pay and that sort of thing of the employees and their problems about being laid off and so on, that's a question he should discuss with the Minister of Labour (B. Stephenson).

Mr. McClellan: I intend to do precisely that, but I thought it was an opportunity to bring the problem to your attention and to ask you whether you didn't think it would be a lot more equitable if this group of employees in fact were permanently under the protection of the Crown Employees Collective Bargaining Act as the rational solution to what is an intolerable situation.

Hon. Mr. Auld: Except that they aren't Crown employees.

Mr. McClellan: But they should be and that's the point.

Vote 505 agreed to.

On vote 506:

Mr. Chairman: The hon. member for Brantford. Do you want to deal with these one at a time? If so, item 1 deals with temporary services.

Mr. Makarchuk: I would like to deal with that particular item.

In this case, the government intends to spend something like \$8 million on temporary help services, and of that \$8 million \$7,488,600 is budgeted for salaries and wages. Could the minister at this time give some indication of a breakdown of which ministries would be taking the bulk of this money or is it at this time an unknown area?

Hon. Mr. Auld: It is an estimate based on experience in the last two or three years. The so-called "GO Temporary" has a permanent staff of four or five—I don't have the figure right in front of me but I may have it at any moment; oh, it's 12—and it has a group of some 1,200 people who are prepared to work part-time. It is sold to the operating ministries on a full cost recovery basis. So I suppose if we didn't sell any service this year we would be in difficulties because we wouldn't be able to charge off the cost of the 12 people who are on our staff, who administer it, to those ministries.

I think it is fair to say that \$8 million is our best estimate of what the transfers will be. It is a book entry. We charge the ministry for the service that it buys and it comes out of their estimates and it is sort of evened out in a journal entry.

Mr. Makarchuk: At this time, Mr. Minister, can you give an indication as to which ministries would be the major users of the service that you are providing? Also, I would like to know what was the figure that you had either budgeted, or preferably spent, last year in terms of salaries and wages.

Hon. Mr. Auld: I can't tell you exactly what was spent in 1975-1976 yet, because the books were just closed. Let me give you the actual 1974-1975, which was \$6,309,460, and the recoveries from the other ministries was the same amount. In 1975-1976, the budgeted amount was \$6,373,100 and the recoveries were \$6,366,100, with a net cost to us of \$7,000, and you can see the estimates before you.

We don't have the ministry breakdown at the moment, but I will be delighted to get it for the hon. member and send it to him when we do have it, which will be probably in another six to eight weeks.

Mr. Makarchuk: Mr. Chairman, once again it would appear from the figures that you have given me that you intend to spend roughly about \$1.1 million more on temporary help services this year compared to last year, and I wonder if you are not really perpetuating the problem that we discussed earlier, where you will continue hiring people on a temporary basis and laying them off eventually when you feel that they are not useful to the department or agency. It would indicate to me that as a result of your constraint programme you are laying off permanent staff but, in effect, you are going to be hiring more temporary staff to fill the spaces.

I question the intelligence of that kind of operation, particularly when you take into account where you intend to put some of those people. If that is not the case, then the other case, of course, is what you will do is continue to perpetuate the problem we discussed earlier, that was raised by the member for Algoma.

Hon. Mr. Auld: Mr. Chairman, in answer to that, we are presently, I am informed, doing an audit on that problem and we will have it completed in a month.

I should point out, of course, that the salaries of the "GO Temporary" people have increased—I think it was 9.5 per cent—in line with similar jobs. Ministries have used temporary people for many years. In fact, we set up "GO Temporary" because we were using outside people and we felt that we might do it more economically in-house.

As I say, we are auditing the thing just to see what is going on, but there are many times where there are people on sick leave for several weeks, or holidays and so on, particularly now that holidays to the civil service have increased, and it just isn't possible to fill in. In fact, with the complement reductions it may well be we will require increased use of "GO Temporary". Where there used to be four people in an office, if one person became sick they didn't have to fill in for them for two or three weeks. If there are only three people there now, we will.

[9:30]

Mr. Chairman: Vote 506, item 1, temporary help services.

On this specific item, the hon. member for Scarborough-Ellesmere.

Mr. Warner: Thank you, Mr. Chairman. By the way, am I not correct in assuming that we are dealing with 1, 2 and 3 combined?

Mr. Chairman: How does the committee want to deal with them? They are quite disparate in their intent. Do you want to deal with them independently?

Hon. Mr. Auld: I must say I would prefer to deal with them in order, but if the House wants to deal with them in—

Mr. Chairman: That seems like the most orderly way to deal with them. Can you address your remarks to item 1, temporary help services?

Mr. Warner: I will accede so long as we can address item 2.

Mr. Lewis: Does the Chair realize the remarkable lucidity with which he has endowed the chamber this evening by describing the items as disparate in their intent? You are indeed a remarkable chairman and should be revered as such.

Mr. Chairman: Shall item 1 carry?

Mr. Lewis: I cannot possibly image anyone of Tory inheritance handling things so aptly.

Mr. Chairman: Item 2, French-language services. The hon. member for Scarborough-Ellesmere.

Mr. Warner: Thank you very much, Mr. Chairman.

Mr. Chairman, I am disappointed.

Mr. Wildman: Wait a minute, you just complimented him.

Mr. Warner: I am not disappointed with the chairman. We have been here for 4½ hours and the minister, the Chairman of Management Board, has neglected to put before this House his personal thoughts and direction with regard to the affirmative action plan as it applies to female personnel employed by the government of Ontario. I find that quite disappointing and I find it perhaps typical of what one could call the tokenism of this government over the past few years.

Perhaps the minister can rescue himself when talking to item 2, the French language services. He may bring into that discussion how he has not only provided French language services to the Province of Ontario through Management Board, but how it also inculcates the employment of female personnel and trying to preserve their rights to promotion.

I would be very interested in hearing those remarks. Throughout the document that was presented to the board by the executive coordinator of women's programmes on the status of women Crown employees in Ontario, it consistently refers to Management Board. It consistently refers to the fact that leadership rests with Management Board and that if we are going to see an affirmative action programme that is more than reverse discrimination, it will rest with Management Board.

Yet I have not heard a clear, precise definition by the minister as to his personal position and the kind of direction that he will take as the minister of that particular department. I am very disappointed in him, extremely disappointed.

If the minister would so condescend, I would appreciate hearing from him if there is a precise definition as to the expenses involved in the French language services. That is, can he provide for us a formula for bilingual services? Is there some sort of formula that the government has found applicable in providing French-language services to those areas of the province where French is not the primary language or the mother tongue?

Is it a firm conviction on the part of the Province of Ontario, and in no way a token effort, that the French language shall be treated as a primary language? And, for a change, I would like from the minister a definitive statement, one that is precise and one that states philosophy. I ask for the minister's response.

Mr. Foulds: Philosophy from the minister?

Mr. Samis: Don't forget the burglars in Brockville.

Hon. Mr. Auld: Mr. Chairman, I think the hon. member is talking about the general bilingual programme. Actually, this vote deals with French-language training for public servants, both provincial and federal, some of which is supported by the Secretary of State and some of which is supported by operating the federal ministries where the training is provided for federal civil servants and is fully recoverable from the federal government.

I have some figures here of what was budgeted last year, how it was worked out and how it has increased over the years. They relate to the French-language service provided by the Civil Service Commission. We used to give this information on the basis of individuals, but there are really three types of courses—full-time sort of immersion courses, short-term evening courses and long-term, say once-a-week courses. They are provided at present in Toronto, Sudbury and Ottawa.

Mr. Samis: Are most of them in Ottawa?

Hon. Mr. Auld: I couldn't tell the hon. member. I would think that most would be in Toronto, as far as our own staff are concerned, but we provide a fair programme in Ottawa, mainly for federal public servants and municipal personnel. In 1974-1975 the total amount budgeted was \$604,649 and the recoveries were \$122,890, for a net cost of \$481,759. The budget for 1975-1976 was up to \$842,400 and the recoveries were estimated at \$277,400, for a net cost of \$565,000.

We have the figures as shown here. The allocation of the amount of \$948,800 before you tonight is estimated to be \$280,400 provincial, \$618,800 federal—and that would be a combination of the grant from the Secretary of State and the recoveries from ministries whose people get the service—and \$49,600 municipal.

Mr. Chairman, since we were a little off the vote a moment ago in talking about the affirmative action programme, I wonder if I might correct two errors that I made in answering the question from the hon. member for Peterborough (Ms. Sandeman)? First of all, the study on equal pay for work of equal value is not being done by the commission; it's being done by the Ministry of Labour, and I am informed that it will be available in a matter of weeks.

The report of the women's Crown employees' office for the period that we were discussing from April to March this year, I am informed is not going to be complete by June; it will probably be complete by about the beginning of September, the executive director tells me.

Mr. Lewis: Why is that?

Hon. Mr. Auld: She said that's when they had planned to have it done and that seemed to be about the time it would be done.

Mr. Warner: I am wondering two things: First, if the minister could respond to my request, as I would like an answer. Is there a formulation for the French-language services? Is there some sort of formula which can be attached to a bilingual cost?

Hon. Mr. Auld: I think there isn't a formula because of the different kinds of training that is provided. I think the average cost per student last year—and I don't have it in front of me—was \$543. However, we have now started to calculate it on a more rational basis of man hours of training because of the variety of kinds of training. I am afraid I can't give the hon. member a figure of the cost per hour yet.

Mr. Warner: Secondly, when you allude to the training that takes place, and I assume that some of it takes place in Ottawa, is that in any way in connection with the University of Ottawa?

Hon. Mr. Auld: I don't think so. I think we provide all the staff. The courses are probably held in rented quarters somewhere. We have some 40 teachers who are on contract, as all teachers are, and the permanent staff who run the courses is five. I wouldn't want to swear that we have never got extra teachers at some time or other for an unusual number of people on some course. I think most of the courses in Ottawa are held at Algonquin College, as a matter of fact, but I think that our own contract staff do it mainly.

Mr. Samis: J'aimerais poser quelques questions si possible.

Can you give us some idea of the number of civil servants we are talking about? We have the dollar figures here but can you give us the numbers that are being trained in the French language and can you compare that to the previous years for me? Don't answer that one in French.

Hon. Mr. Auld: I will go back to 1968.

Mr. Samis: Okay, that's fine.

Hon. Mr. Auld: In 1968, there were 72 students; in 1969, there were 501 and, in 1970, there were 530. Those were all provincial. In 1971, there were 396 provincial, 277 municipal and 194 federal. In 1972, there were 380 provincial, 358 municipal and 322 federal.

Then when we started to break it down into hours, to try to calculate the part-time, the full-time and short-term, immersion and so on, there were 55,400 man-hours of instruction for provincial students.

Mr. Samis: Excuse me, would it be possible to continue on the same categories that you have already outlined, just for the sake of continuity, rather than switching over to man-hours?

Hon. Mr. Auld: We must have the figures of the number of students but I don't have them in front of me and I don't think we have them with us. I am sure we could express it that way. We will have to give it to you, as I say, in the different kinds of courses. Because there were some people who may have taken, I suppose, 100 hours at two hours a week for a year, and other people who took 100 hours in two weeks of immersion.

[9:45]

Mr. Samis: What about the year just past? Do you have a figure on the number of people who have been in this programme?

Hon. Mr. Auld: No, but I'll tell you. I could give the hon. member the man-hours if he would like them for 1973, 1974, 1975 and 1976. I'll give them to him now, and I'll get him the figures of the number of people in the next three or four days.

In 1973, the number of man-hours of instruction were 55,400 provincial; 27,100 municipal; and 74,900 federal. In 1974, 45,600 provincial; 33,900 municipal; and 97,600 federal. In 1975, 31,900 provincial; 21,000 municipal; 111,400 federal.

Mr. Samis: Could I ask how you would explain the continuing decline in the provincial number of man-hours from 1973 to 1975—from 55,000 to 45,000 to 31,000? Why are we declining in the number of man-hours being spent on bilingualism and language training?

Hon. Mr. Auld: I assume it was because there weren't that many people who either had applied or whose jobs required bilingual instruction. The hon. member must remember that there is a lot fewer provincial civil servants than federal. At a guess, I would say that that is probably the reason.

Mr. Samis: For those various years, can you give us some idea what percentage of the funds allotted to those programmes were federal funds, let's say 1968 to 1974—to what extent was that federally-funded?

Hon. Mr. Auld: In the federal programme, there is a grant from the Secretary of State which is 50 per cent of provincial expenditure up to \$100,000, so that that is part of the federal share—and that's for programmes for provincial and municipal employees. Then, in the rest of the programme where we do it for federal employees it is fully recovered.

Now, I don't have in front of me the breakdown, but if you take the total cost for rough figuring, divide the number of federal hours into the rest, so to subtract what that cost, the feds' share would be 50 per cent of the remaining cost up to a maximum of \$100,000.

Mr. Samis: I think this is repetition, but could you give me the ball park figure for 1975—what per cent of that budget was federal again now?

Hon. Mr. Auld: Are you talking about the cost in 1975, or the man-hours? The cost?

Mr. Samis: The cost, please.

Hon. Mr. Auld: That was a total of \$843,400, and the federal recovery is \$277,400, with a net to the province of \$565,000. Right? Well, I would say, without taking my shoes off to work it out.

Mr. Samis: I wouldn't ask you to do that, by the way.

Hon. Mr. Auld: Well, I won't pursue that as to reasons, but the total recovery from the feds was \$277,400. Now, I would assume about \$100,000 of that was from the Secretary of State and the other \$177,000 was from federal ministries which bought the service.

Mr. Samis: Could I ask a fairly general question? Could you give us some idea of what these people are being trained for in this programme? Can you give us a general breakdown—the positions that the language training is being used for in the civil service?

Hon. Mr. Auld: Well, I couldn't. The operating ministers themselves, as far as the province is concerned, are the ones who decided there would be—I suppose there could be probation officers; just about anybody I think. By and large the ministries attempt to find bilingual people in the skill that they require—if they're going to be working, say, in Hawkesbury or Penetanguishene or some place like that.

Mr. Samis: Could I ask if you have any figure on the number of positions for which the government may designate bilingualism as a requirement, in eastern or northern Ontario, for example?

Hon. Mr. Auld: I'm not aware that anybody has ever gathered that information.

Mr. Samis: Are you aware of any jobs in eastern or northern Ontario where bilingualism is required in the provincial civil service, whether it be the court, education system—let's leave out translation service, but courts or education service or transport?

Hon. Mr. Auld: I'm sure that I could get the information but I'm afraid I don't have it here. I have never inquired so I wouldn't hazard a guess.

Mr. Samis: That wouldn't be the stated provincial policy—is it fair to ask—that there are no regions for example in Prescott and Russell counties, or in Cochrane North, where bilingualism wouldn't be regarded as an essential requirement for provincial civil servants?

Hon. Mr. Auld: As a matter of fact, I know in Environment when we had three inspectors working out of Ottawa who were bilingual and worked down the valley towards Hawkesbury and Lancaster—

Mr. Samis: All I am asking is if there are jobs where bilingualism is an essential requirement for hiring purposes in that part of the province.

Hon. Mr. Auld: I'm afraid I don't have that information, Mr. Chairman.

Mr. Samis: Would it be possible to obtain that?

Hon. Mr. Auld: I will attempt to get it for the hon. member.

Mr. Samis: Thank you.

Mr. Warner: I realize that the minister has been put off by the zest and zeal of my colleague from Cornwall. However, could he respond to the request which was made a half hour ago, that he present to this House either his personal philosophy of the importance of the bilingual programme in this Province of Ontario, or that of the ministry, if it happens to be different from his own, so that somehow we have a grasp of what this government is aiming at in its bilingual services to those persons who are employed by the Province of Ontario in carrying out the duties

and functions of their offices throughout this province?

Hon. Mr. Auld: Mr. Chairman, I think I'd be delighted to look it up for the hon. member, but it seems to me that the Premier has made statements on several occasions as to what the government's policy is. As a member of the government, I obviously support that policy.

Mr. Warner: It is identical.

Vote 506 agreed to.

Mr. Chairman: This completes the estimates of Management Board.

Hon. Mr. Auld moved the committee rise and report.

Motion agreed to.

Mr. Chairman: Mr. Speaker, the committee of supply begs to report that it has reached certain resolutions and asks for leave to sit again.

Report agreed to.

Hon. Mr. Auld: Mr. Speaker, before moving the adjournment of the House I would inform the hon. members that the programme for tomorrow is budget debate.

Hon. Mr. Auld moved the adjournment of the House.

Motion agreed to.

The House adjourned at 9:56 p.m.

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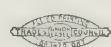
OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, April 30, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

FRIDAY, APRIL 30, 1976

The House met at 10 a.m.

Prayers.

Mr. Speaker: Statements by the ministry.

METRO TORONTO SENIOR CITIZEN HOUSING

Hon. Mr. Rhodes: I would like to inform the House of an agreement reached with Metro Toronto concerning rent-geared-to-income senior citizen units. The province has agreed to share in the 1976 operating losses on 6,488 rent-geared-to-income senior citizen housing units in that municipality. This will total some \$2.2 million, representing 42.5 per cent of these losses.

We have agreed to do so in order to provide to Metro the same level of assistance for rent-geared-to-income senior citizen housing as is provided for similar housing in all other Ontario municipalities. I will be arranging to meet with Metro Chairman Paul Godfrey in the near future to discuss the development and management of assisted housing in Metro in the years ahead.

MONTFORT HOSPITAL

Hon. B. Stephenson: On April 27 the hon. member for Ottawa East (Mr. Roy) suggested that I had misled the House in replying to a question on April 22, concerning the Montfort Hospital in Ottawa. To support his claim, the hon. member read a letter from the Ministry of Health to Montfort Hospital advising that the hospital's request for 30 new psychiatric beds had been approved and advising that capital and operating funds had been committed to this project.

The date of the letter referred to by the hon. member for Ottawa East was Oct. 25, 1974. I will refer briefly to later letters which were sent to all chairmen of hospital boards and all administrators of public hospitals.

On Dec. 17, 1974, to assist the ministry in preparing its three-year, multi-year plan, hospitals were asked to review their priorities for new programmes which were scheduled to commence in 1976-1977. They were also ad-

vised to submit the programmes with the highest priorities to their district health councils or to their co-ordinating committees. Hospitals were clearly warned that funds for new programmes would be very limited; that all programmes recommended by councils would not be funded in 1976-1977 and some might be deferred to later years, depending upon the availability of funds.

Following that, on Dec. 20, 1974, the chairmen of all district health councils were requested to assess the projects submitted to them by hospitals in their area and to forward to the Ministry of Health a priority list on new programmes for the year 1976-1977.

On May 7, 1975, the Ottawa-Carleton Region District Health Council sent to the Ministry of Health a prioritized list of new programmes on the basis of information submitted by all of the local hospitals. The council's list did not include a new programme for Montfort Hospital in 1976-1977.

On Dec. 1, 1975, with reference to 1976 operating budgets, the ministry advised hospitals that in view of current fiscal constraints, it would not be possible to implement new programmes in 1976.

On Jan. 28, 1976, a letter was sent from the ministry to all chairmen and administrators of hospitals, chairmen of co-ordinating committees, chairmen of district health councils, referring to the priority lists prepared in 1975 for the 1976-1977 programmes. The letter stated: "As you are very much aware, there has been a very dramatic restriction on the availability of dollars. As a consequence, we very reluctantly conclude that your proposal cannot be accepted at this time." The letter went on to state that the ministry would be writing again to indicate the action which should be taken in regard to new programmes in future years.

I should mention, Mr. Speaker, that in October, 1974, in preparation for the introduction of the psychiatric unit at Montfort Hospital, certain renovations were begun and at the beginning of those renovations it was discovered that the hospital needed a new roof. The Ministry of Health has helped to fund that new roof at a cost of about \$635,000, but the renovations for the psychiatric

unit were not begun because of the other renovations which were required. In fact, this programme was not coming on stream until well after the subsequent letters were sent to the board.

It was certainly made clear to all hospitals, including the Montfort Hospital, that programmes requiring new operations money would require special ministry approval before coming on stream. Capital construction did proceed under ministry guidance but approval for new operating funds was not supplied by the ministry and they were informed that this would not be so.

In view of the severe financial restrictions placed upon the Ministry of Health after October, 1974, and the documented advice to the hospitals—to all hospitals—that fiscal constraints made it impossible to implement new programmes in 1976, we really truly cannot accept the statement that I misled the House in advising that Montfort Hospital acted unilaterally by opening beds in 1976 in its new psychiatric unit.

Mr. Lewis: These things don't happen in a competent ministry.

Mr. S. Smith: What was the Minister of Health (Mr. F. S. Miller) going there to open? Nothing?

TARIFF POLICY ON AGRICULTURAL PRODUCTS

Hon. W. Newman: Mr. Speaker, as the latest round of discussions of the General Agreement on Trade and Tariffs is under way in Geneva, it is appropriate for me at this time to comment on the importance of Canadian tariff policies as they relate to Ontario's agricultural industry.

Mr. Deans: Don't know what you are saying.

Hon. W. Newman: So that my ministry will be better able to document conditions, I have established a trade and tariff committee parallel with the interministerial committee on GATT, which is operated by the Ministry of Industry and Tourism, to co-operate with the agriculture and food industry in researching and reviewing the ramifications of the effects of federal tariff policies. This committee has broad representation from the Ontario Food Council, the Farm Products Marketing Board, and the economics, livestock and extension branches of my ministry.

This committee was formed, therefore, to experience in assisting the various associa-

tions in the agriculture industry to prepare their briefs on tariffs for submission to the federal authorities. I am happy to say that the material was submitted to us by groups in nearly every section of the agriculture and food industry, separate from submissions received in the preparation of the Ministry of Industry and Tourism's sector analysis on the food industry.

This committee was formed, therefore, to carry on this type of liaison and is now conducting a series of in-depth discussions with sectors of the industry. This committee will remain the focal point in my ministry for all trade and tariff information until the GATT negotiations are completed.

I have instructed my committee to complete their review with all of the major agriculture and food organizations so that I and the Minister of Industry and Tourism (Mr. Bennett) will be in a position to lead a delegation to Ottawa to meet with the Ministers of Agriculture, Industry, Trade and Commerce, and Finance. We know that major decisions on trade and tariffs are not made by the civil servants but by the cabinet itself. This is why I place such great emphasis on meeting with the senior cabinet ministers responsible for trade and tariffs.

The work of the committee to date confirms that Canadian tariff policies are creating enormous difficulties for producers and processors. To put it mildly, the present tariff system is hurting agriculture in this province. Tariffs on some imported agriculture commodities are based on a cents-per-pound calculation and the amounts are ridiculously low.

The area of fruits and vegetables is still operating on a system established in the 1930s. This system is placing our food industries under extreme pressures from imports, especially those from the United States where tariffs are calculated as a percentage of value. There is little a provincial government can do about tariffs other than make strong representation to the federal government, but we can certainly apply that particular pressure.

On March 31, I wrote Hon. Eugene Whelan, federal Minister of Agriculture. I would like to quote a few passages from that letter. I said, in part:

I am becoming increasingly concerned about trade and tariff issues and how they affect our industry.

The farmers, as well as the food processors, in my province are coming to me and complaining about the extreme dif-

difficulty that they find themselves in because they are shut out from export markets and in some cases forced to compete with low-priced imports.

As far as Ontario is concerned, we see the following as key issues to be dealt with at the upcoming round of GATT negotiations.

Equalization of Tariffs Between Canada and the USA: We can point out many examples of where US tariffs are higher than Canadian tariffs. We are not advocating free trade with the US; we are arguing for equalization of tariffs.

Ontario's Greater Emphasis on Value Added: It is not appropriate for Canada to continue to export basic agricultural commodities and import fully manufactured food products. We must provide a degree of protection to our local food processing industry. If parts of it disappear we will also lose significant portions of our agricultural production industry. Tariff or non-tariff measures which protect our basic agricultural production must also offer the same degree of protection to foods manufactured from these agricultural commodities.

Revision of Seasonal Specific Tariffs on Fruits and Vegetables: The federal government ordered a complete review of the tariff structure for fresh and processed fruits and vegetables. It is simply inexcusable that the findings of this review have not been made known.

I would point out that we have been waiting for the report of those findings since 1973. To continue:

Seasonal specific tariffs were established in the 1930s so that the level of protection has been eroded by inflation over the years. It is important that these tariffs be brought back to reasonable levels.

Low-Priced Imports: Canada has anti-dumping legislation to deal with low-priced imports which may hurt a domestic industry. The problem is that nationally we seem to be very reluctant to take action, and when we do it is often too late to do the industry any good.

Those are the highlights of my letter.

We in Ontario are not trying to build a wall around the province to keep out imports. All we want is a degree of equity and a fair basis on which to conduct competitive trade negotiations. I have written today to the federal Ministers of Industry, Trade and Commerce, Finance, and Agriculture to arrange a meeting to discuss trade and tariffs.

As soon as this can be arranged, the Minister of Trade and Tourism and I will lead a delegation of representatives from Ontario's agriculture and food industry to Ottawa.

Mr. S. Smith: It's about time. What were you doing the last 14 years?

Hon. Mr. Handleman: Where have you been? Last night we told the—

Hon. W. Newman: The leader of the Liberal Party is such an expert on agriculture. I would like to hear him sometime.

Mr. S. Smith: You will.

Mr. Gaunt: You will.

Hon. Mr. Davis: The Liberal critic is in the second row! Why would they do that to an agricultural expert like the member for Huron-Bruce?

Interjections.

Mr. S. Smith: Then how can the government insult its Solicitor General (Mr. MacBeth), Minister of Industry and Tourism (Mr. Bennett) and Minister of Revenue (Mr. Meen) like that?

Mr. Speaker: The hon. Minister of Agriculture and Food has the floor.

[10:15]

LOANS TO MILK PRODUCERS

Hon. W. Newman: As the members are aware, the recently announced national dairy policy has created some hardships among Ontario dairy farmers. Members will recall that three years ago the federal government called for increased milk production to make Canada as near as possible self-sufficient. To assist Ontario dairy farmers in raising their output as requested by the federal government, the government of Ontario introduced an industrial milk production incentive programme.

We, as a government, are aware of our responsibility to ensure that all industrial milk producers are able to adjust to the implication of the recent cutbacks in milk quota by Ottawa. Accordingly, in addition to the commitment given during my previous IMPIP statement, this government will defer the requirement of paying either interest or principal on any IMPIP loan for a period of four months. We are presently discussing the details with the banks concerned.

In no way does this announcement preclude a farmer from making his IMPIP loan payments if he so desires, but it does give him

the opportunity of reassessing his financial situation and gives him some temporary relief until something further can be worked out.

Mr. Speaker: Oral questions. The hon. Leader of the Opposition.

PENSIONERS' CHEQUES

Mr. Lewis: Yes, a question of the Minister of Revenue, if I may: Why was it necessary for the complaints to come from the pensioners themselves, when their cheques were so significantly reduced because of whatever misadventure occurred in filling out forms in advance of the monthly pension cheques in April? Why was it necessary for the complaints to come from the pensioners, when his ministry must surely have noticed that it was sending out at least 5,000 fewer GAINS supplements than it had sent out in the previous month, and might surely have intervened to do something about it rather than having these people live in hardship for a month?

Hon. Mr. Meen: Mr. Speaker, I mentioned during the course of my supplementary estimates in March that it's characteristic of this programme that the numbers of GAINS clientele will drop in April. It does that every year and the reason is that, of course, under OAS-GIS the recipients have to requalify, and it's characteristic that some, in the course of a previous year, may have an adjustment in income or there may be other reasons why they may turn out to be disqualified under the GIS side of the OAS-GIS payment scheme.

We get our tapes from the Department of National Health and Welfare, and as these tapes come through, of course, we process them. We deliberately delayed the payments during this month of April by upwards of a week in order to endeavour to pick up as many as we could of those who might have been delayed in getting in their applications to the federal department. It was, therefore, and is, therefore, characteristic that there would be some drop.

We knew there would be some drop within our own area of GAINS payments, our clientele of some 6,200 of those in the five-year to 10-year—less than 10 but over five—residency qualification provisions. There was also an expectation of a drop there and we have processed those. All of ours are virtually current, and although we are down a few hundred from the 6,200 that prevailed in March, I had again indicated that we would expect a drop in that quarter. I don't think there is anything of a significant nature that

we would have detected at this early stage by way of a drop in the numbers coming through from the federal department.

In any event, as those are cleared by the federal government and we get the information through from them confirming the income levels that would then qualify the GAINS recipients for a make-up under our scheme, those cheques will go out; and of course they will relate back into the month of April if they did not qualify at this present time.

I don't think that at this stage, where we are processing some 274,000 GAINS clientele, that one can be faulted for being curious as to whether there is or is not some problem with the federal administration of the OAS-GIS. I'm not privy to the information it gets from the clientele and in many cases those clientele who file their applications, I'm told, did not have full information.

Mr. Lewis: What do you mean clientele?

Mr. Speaker: Order, please. The hon. minister.

Hon. Mr. Meen: They are entitled when they have qualified, Mr. Speaker, and it is up to the federal government to determine whether they are qualified under OAS and GIS.

Mr. Lewis: By way of supplementary; doesn't the minister realize that the 5,000 to 7,500 eligible GAINS recipients who did not re-apply according to the federal requirement are precisely the group of people most vulnerable, because their inability to re-apply speaks to their difficulty of age? Isn't it possible for the minister and his ministry, in advance of March 31, let us say in December, to make a serious effort by mail or by phone to reach this group of GAINS recipients to warn them of what is in the offing and to maintain them on the rolls?

Hon. Mr. Meen: Mr. Speaker, they are advised that they must requalify. They are advised of this; they are given assistance through various agencies, private and otherwise; and I suggest that this matter, which comes up every year, will be resolved. I trust that the federal Department of National Health and Welfare will sort out its side of it, and when its tapes come through to us we'll be able to process them from there on. In every case in which we have been dealing with the clientele direct we are virtually in a current position.

Mr. B. Newman: A supplementary: Does the minister include in the December, January, February and March GAINS cheques re-

minders to the recipients that they must qualify according to the federal standards before they would be eligible for the GAINS, and that if they don't file the application their GAINS cheques would terminate in April—or in March rather?

Hon. Mr. Meen: Mr. Speaker, there is something which goes out to them but I must confess that I do not know whether it's included as a stuffer in the cheque or just what is done. I will endeavour to find out.

Mr. Bain: I would like to ask the minister if he will attempt to get the federal department to embark upon a programme which will reflect the same zeal that the minister shared with us, and which his department feels when it collects revenue from people, when it collects taxes? Is the minister aware that many of these people filled out all the forms appropriately, they went in but the federal ministry just can't process them in time and, therefore, the people are cut off? Doesn't the minister think he could assist them by coming up with a better method whereby people don't have their income reduced from \$200 to, say, \$135 in one fell swoop? There must be something the minister can do. He couldn't afford to have his income cut by that much and still make his payments.

Mr. Speaker: Order, please.

Hon. Mr. Meen: Mr. Speaker, the federal ministry is the master of its own household and I would say it knows how it should be processing the forms at its end of things.

HOSPITAL CLOSINGS

Mr. Lewis: A question of the acting Minister of Health: Since the minister is engaged in a daily defence and recapitulation of how her ministry is not in error, perhaps she could explain to us what occurred between the directive at the end of February to the Peterborough Civic Hospital to cut \$550,000 from its budget, and the redirective in mid-April—indeed just last week—that the cut would be reduced to \$100,000 because somewhere an error in regression analysis occurred?

Hon. B. Stephenson: Mr. Speaker, I do not have the details of that specific discussion at the moment but I shall attempt to acquire them and present them to the hon. member.

Mr. Lewis: Thank you very much.

SPENDING BY MINISTRY OF GOVERNMENT SERVICES

Mr. Lewis: May I ask a question of the Minister of Government Services?

Interjection.

Mr. Lewis: Yes, it gives one pause. May I ask the minister, does she applaud or approve or encourage people, leading directors of branches within her ministry, to be frugal enough to spend even under the budget restrictions laid down within the restraint programme when they can? Is she pretty tough on restraint in her ministry?

Hon. Mrs. Scrivener: Restraints in my ministry have been well maintained, Mr. Speaker.

Mr. Lewis: Maybe the minister could explain to me a memo from Mr. Arkadie, the assistant director for the province of the property management branch, to all regional managers on March 26, which begins as follows:

Re: Underspending—Fiscal Year 1975-1976.

The property management branch has been recently questioned in the matter of its underspending during the current fiscal year. There are, of course, a number of contributory factors which have caused this particular situation. It is our aim to avoid a similar occurrence in the forthcoming fiscal year.

Might the minister explain the style and manner of her ministry which penalizes people for restraint?

Hon. Mrs. Scrivener: There is no penalty for such restraint, Mr. Speaker. I haven't seen that memo, of course, but the way I would interpret it is that Mr. Arkadie is probably asking for a more direct estimate of expenses in the coming year.

Hon. Mr. Davis: Exactly; it is quite customary.

Mr. Lewis: To be fair, it goes on to say that "every attempt must be made to fully complete this branch's programme to the extent of budgetary allocations." God forbid that the ministry should underspend its budget, even if that's desirable.

Hon. Mrs. Scrivener: Mr. Speaker, I think the Leader of the Opposition is putting an incorrect imputation towards Mr. Arkadie. I believe that in some cases in our ministry, when we cannot complete certain projects on time, then obviously there will be underspending; but this is not something over which we necessarily have got control. Mean-

time, I think Mr. Arkadie is really asking for closer estimates.

MINAKI LODGE

Mr. Lewis: A question of the Minister of Industry and Tourism: What exactly does the ministry intend to do with the sizeable amount of money left in the estimates this year for Minaki Lodge?

Hon. Mr. Bennett: Mr. Speaker, the moneys that have been allocated for Minaki Lodge in the current estimates are for the completion of the first phase of the redevelopment of Minaki Lodge.

Mr. Lewis: Just a second. Does the minister mean the \$1.5 million, plus the \$400,000 for operating costs, which are in the current estimates, must also go down the drain for this white elephant? Does this mean we can't stop the tide now?

The minister has often struck me as Canute, standing before the waves, lapping in reality in front of him. Can't he possibly use the absurdity vested in him and stop what is happening to Minaki?

Hon. Mr. Bennett: Mr. Speaker, a great deal of the work is under contract already and equipment is on site. We estimate the contract will be completed by the end of June or early July.

Mr. S. Smith: It's a fishing lodge with poisoned fish.

Hon. Mr. Bennett: The \$400,000 for operating costs will be for the maintenance and upkeep of the facilities, for security of the lodge, for the operation of the golf course and ski hill, and for Holst Point, which will continue to operate for some period of time.

Mr. Lewis: Which no one will ever use.

Hon. Mr. Bennett: Mr. Speaker, the Leader of the Opposition might say no one will use it. But let me assure him that Holst Point has been booked to its capacity, which is available for 60 tenants.

Mr. Angus: A supplementary: Is it not true that some of the materials that were ordered for Minaki Lodge, such as the catering equipment for the main kitchen, as reported by the Toronto Star, have been returned to the supplier? And could not similar situations occur with those contracts which the minister says must be completed?

Hon. Mr. Bennett: Mr. Speaker, fortunately we were able to cancel some of the equip-

ment that would be used for kitchen facilities. The balance of the work must be completed to make sure that the operation is secure and that the building is completely enclosed so that it will not be destroyed by weather conditions if it is left open to the weather.

Mr. Foulds: A supplementary: Does the minister agree with his colleague, the Minister of Natural Resources (Mr. Bernier), who said on an open-line radio show in Kenora last Saturday that this was a resort designed for the elite? And does the minister think this is the kind of resort that we should be spending money on in this province when the minister goes about the province talking about restraint?

Hon. Mr. Bennett: First of all, Mr. Speaker, I am not aware of the comments made by the Minister of Natural Resources. Secondly, may I say to this House, as I've said before, this facility was never developed or designed for the elite; it was designed and developed for the tourist industry in the Province of Ontario. I think we recognize the constraint programme by deferring the second phase of the development of Minaki Lodge. That is why we are ceasing to operate at this particular point.

[10:30]

Mr. Speaker: Has the Leader of the Opposition any further questions? This will be a final supplementary, the member for Hamilton West.

Mr. S. Smith: In view of the fact that this is not going forward, is the ministry continuing to push forward with the ski hill that's being developed nearby? Is that also being curtailed in this atmosphere of restraint?

Hon. Mr. Bennett: Mr. Speaker, the ski hill has been in operation for some four or five years. It was brought into being through the ARDA programme of the federal government. The ski hill will go into operation again in the 1976-1977 season and will be under the management and guidance of the community association, with the financing being done by the Minaki organization.

CHILD IMMUNIZATION

Mr. S. Smith: A question of the acting Minister of Health: Can the minister confirm that only between 60 and 70 per cent of children are actually being immunized against poliomyelitis today in the Province of Ontario? Is she not concerned about that, if that

is true, in view of the possible accumulation of polio and other viruses in the sewage of this province as confirmed by Dr. Sattar, of the University of Ottawa.

Hon. B. Stephenson: Mr. Speaker, several of the very reliable medical officers of health of the Province of Ontario have made statements that in their areas 25 to 30 per cent of the children are not immunized. I find this a terrifying prospect in view of the fact that Ontario has had the best children's immunization programme in the world until this time.

Unfortunately, I believe that perhaps both parents and physicians are being somewhat complacent because of the lack of epidemics—dramatic epidemics—of childhood diseases. I think we must develop at this time a very active programme promoting the value of child immunization to parents—mind you, it is done through school systems every year with some regularity but apparently many parents do not take advantage of it—through the medical profession, through the well-baby clinics, through the medical officers of health and the health units throughout the province. We cannot afford to allow any degree of lack of immunization to prevail in the Province of Ontario. That's our only protection against future epidemics of childhood diseases which can prove as disastrous as those which occurred in the 19th century, of which you see records in every small graveyard in Ontario.

Mr. S. Smith: A supplementary: I know the minister feels this way and I appreciate that, but perhaps she could explain to the House why it is that her ministry has done absolutely nothing about this when the information that the rate of immunization was going down has been available and when the ministry knows, now, that viruses are accumulating in the sewage of this province in a very dangerous way?

Hon. B. Stephenson: Mr. Speaker, the hon. leader of the third party will recognize that—

Mr. S. Smith: Don't play that game, too.

Hon. B. Stephenson:—viruses are accumulating in every sewage disposal plant in the world at the moment. However, there has been an active programme within the Ministry of Health. We have been concerned about this.

We have had communications with the professional associations, with the health units, with medical officers of health. Booklets have been published, which are available to all sorts of people through doctors' offices and

through municipal offices, regarding the value of immunization. It is obvious that we do have to become much more vigilant about this because we are suffering, as are all other developed nations at the moment, from complacency because of the lack of any epidemics.

Unfortunately, as long as parents are not particularly concerned about the possibility of child deaths through these kinds of diseases, they do not make the effort to avail themselves of the opportunities. The opportunities are there. They are right across the province and they have not ceased to be there at any time.

It is important, however, that one remembers that immunization is not mandatory. It is a decision of the parents of the child and we will do all we can to persuade parents that they must fulfil this responsibility.

Ms. Gigantes: Do I understand the minister to suggest that parents are being lax because every school in Ontario has a programme of immunization? I know my child's school doesn't.

Hon. B. Stephenson: Mr. Speaker, if I said every school does I have misled the House. This is the prerogative of the local school board and in most school board areas, the school immunization programme does prevail. Unfortunately, there are a number of parents who are lax about this.

Ms. Gigantes: So is the ministry.

Mr. Breithaupt: Mr. Speaker, could the minister advise us whether she is dealing with the Minister of Education (Mr. Wells) to ensure that information is being obtained by the school boards and encouragement is being given to ensure that if funds are necessary they will be provided, to have a much more active advertising of the requirements for immunization in the school system?

Hon. B. Stephenson: Mr. Speaker, yes, we are.

Mr. Speaker: Further questions?

A final supplementary; the member for Brantford.

Mr. Makarchuk: In view of the fact that most of these programmes in the schools are initiated by school nurses, and because of the minister's constraint and restraint programme some school boards are dismissing their school nurses, would she not consider that as being detrimental to the effectiveness of the programme?

Hon. B. Stephenson: Mr. Speaker, the hon. member for Brantford is not entirely correct

in that most of these programmes are not initiated by school nurses at all. They are in fact initiated on the conjoint action of local health units with the school boards, that is the initiating force. There should be no reason at all why the programme of immunization should be affected in any way by the constraint programme in any health unit or in any school board area.

MUNICIPAL FINANCING

Mr. S. Smith: A question of the Premier, in the absence of the Treasurer (Mr. McKeough): Does the Premier share the concern expressed by the chairman of Metropolitan Toronto, Mr. Godfrey, about what he terms the inevitable decline and fall of municipal government in Canada, given the difficulties facing municipalities? And can he confirm whether or not Mr. Peckford, Newfoundland's Municipal Affairs Minister, was in fact speaking for the provinces when he said the provinces are not interested in talking about redistribution of tax money, even though the federal minister claims that he himself would be interested?

Hon. Mr. Davis: Mr. Speaker, I'll try to answer for the Treasurer. I certainly can't answer for the statements made by another minister from another province. I think that—

Mr. S. Smith: Kissing cousins from Newfoundland.

Mr. Cassidy: There's more of a relationship there than between you guys and Ottawa.

Hon. Mr. Davis: —if the hon. member would read some of the discussions here in the House and some of the documentation that has been tabled over the past four or five years it will demonstrate very conclusively that this government has always been on record as recognizing the need of the municipalities for some redistribution of tax power and some solution to the problem that we all know exists. In fact, Mr. Speaker—

Mr. Deans: Why are you transferring responsibility?

Hon. Mr. Davis: Listen, if the member for Wentworth wants to ask a supplementary question he may do so. I'm trying now to answer the leader of the Liberal Party in the Province of Ontario—

Mr. Deans: It is also very disturbing.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Davis: —and for the Province of Ontario. Have I got it all correct?

Mr. S. Smith: You are learning, you almost had it. Usually referred to as the exalted leader.

Hon. Mr. Davis: I don't often disagree with the chairman of Metropolitan Toronto, who by and large shows very excellent judgement.

Mr. Cassidy: We're not very sure about that.

Hon. Mr. Davis: However, I think perhaps in his capacity as president of the national association he is perhaps expressing a degree of alarm that need not exist.

Mr. MacDonald: They're just going bankrupt picking up the responsibilities you have shelved.

Hon. Mr. Davis: I cannot see the municipalities, certainly in this province—and I will not presume to speak for municipalities in the other provinces of Canada—I cannot see them disappearing or suffering any undue difficulties more so than would be experienced by any other level of government. I think we will see the municipalities functioning extremely well, Mr. Speaker, for many years yet to come.

As I say I don't often disagree with the views of the chairman of Metro but I really think he is perhaps unnecessarily alarmed at this moment.

Mr. Speaker: The member for Hamilton West with a supplementary for the Premier.

Mr. S. Smith: Mr. Speaker, we were joking about the kissing cousins in Newfoundland and all that, but I do have a concern. I hope the Premier will explain. Is it true that even though the federal government allegedly is willing the provinces are not willing to meet to discuss redistribution of tax income so as to rescue the municipalities in this whole country—and, of course, in Ontario?

Hon. Mr. Davis: Mr. Speaker, I'm going strictly by memory now, but my recollection is that Ontario either initiated or was substantially responsible for some of the tri-level discussions that have taken place.

There has been some discussion here about the "Edmonton commitment," where this province made it very clear that whatever percentage increase in revenues we received would be shared on that basis with the municipalities. There was a commitment, I think, or some understanding by the member's cousins in Ottawa that the federal government

recognized the plight of the municipalities and they too were prepared to participate. In fact, in one of the major areas of expenditure by the municipalities of this province, the larger urban municipalities, particularly Metropolitan Toronto I can recall vividly, it was about two years ago this coming June, when the gentleman—who from the Grower, or one of the farm and country magazines, I notice the leader of the Liberal Party of Ontario still very enthusiastically supports, according to his own quotation—that gentleman was making a speech here in Metropolitan Toronto. I can recall it very well, because I was in a room at the Royal York Hotel and somebody said: "Davis, you're on television again talking about urban transit." I rushed in and found it was the Prime Minister of Canada. In fact, the language sounded very much like the language on the Spadina expressway, where he was promising to the urban centres massive funding for urban transportation, both in terms of capital and operational support.

Mr. Lewis: Do you always rush in to hear yourself?

Mr. Wildman: Fools rush in.

Hon. Mr. Davis: Mr. Speaker, if memory serves me correctly, we have not seen a penny; at least the municipalities have not seen any of this federal largesse in terms of a very pressing urban need in the field of transportation, although this government is still continuing to fund them in this area at a very high level because we recognize this is a very important priority. I hope that helps the member for Hamilton West in his assessment of this very basic issue.

Mr. Speaker: A supplementary?

Mr. Swart: In view of that rather rambling and political reply, could I ask the Premier specifically if his government is prepared to notify the Hon. Barney Danson that it is now prepared to negotiate a redistribution of the tax base, based on the task force report?

Hon. Mr. Davis: Mr. Speaker, I'm not sure we're prepared to notify the Hon. Mr. Danson in this vein at this precise moment at all. I think that in terms of the federal government's interest in the municipalities, it would certainly help the climate and certainly the economics of the municipalities if the federal government were to live up to some of their promises of two years ago of assistance to the municipalities.

Mr. Speaker: Are there any further questions? A supplementary from the member for London Centre.

Hon. Mr. Davis: You're not coming to their defence too?

Mr. Peterson: They're doing all right on their own, don't worry about them. I would like to ask the Premier: Is he prepared to call a conference with the municipalities to discuss this very serious problem?

Hon. Mr. Davis: I have been at a number of meetings with heads of municipalities. I can't recall too many where we have not, in fact, discussed the whole question of municipal financial support, and we're ready to discuss it with them at any time. If the member for London Centre is asking should we have a full-fledged conference; I think it's quite obvious that with the discussions that are being initiated by the first minister of this country on matters like the constitution, hopefully some question will arise at some point in time on the distribution of power, or hopefully some recognition of the position of this province with respect to the question of the tax base, redistribution of taxes, and that would be an appropriate time then to have some conversations with the municipalities. But until the federal government of Canada is prepared to recognize the great difficulty of the provinces on the question of shared-cost programmes, the way they opt in, opt out and leave us with no degree of security or permanency—and I can give you several examples if you would like—until then, I think Mr. Speaker, until some of those issues are settled—

Mrs. Campbell: You just pass it on to the municipalities.

Hon. Mr. Davis: —by your cousins in Ottawa, then other discussions or conferences would be relatively academic.

Mr. Peterson: This province would be better off with a Liberal government.

Mr. Speaker: A further question from the member for Hamilton West.

BOWMANVILLE INSTITUTION PRESS TOUR

Mr. S. Smith: The next question I have, Mr. Speaker, is for the Minister of Correctional Services. I wonder if he could explain to this House, and assure this House, that during the visit he has arranged for the press to go to Bowmanville, it will not just be a tour of physical facilities that people will go traipsing in and out to look at? Can he assure us that the reporters there will be given a

chance to speak with some of the children who have been kept in solitary confinement; to find out what the children feel about this; how they perceive it; what the reasons are that they perceive were advanced for them to do that? And without identifying the children, without in any way infringing on their confidentiality, will the reporters be given some real chance to talk to those children; or is this just going to be a Cook's tour and a whitewash?

Hon. J. R. Smith: Mr. Speaker, it is an open visit. I hope that the members of the press will avail themselves of that opportunity. They will have every opportunity to speak to the superintendent and all members of the staff, if they wish; and to any of the boys. But on the understanding that it's not just going to be the nine or so youngsters who were involved in segregation, say last month, summoned as a group or individually to be interrogated and questioned by the press. I'd rather it be a casual visit. As they go through the institution, I want them to meet all the students and speak with them in that manner.

Ms. Sandeman: Supplementary: While the press are having the tour the minister is describing, I hope they will be given the chance to assess ministry spending priorities by comparing the detention cells, which the grand jury described as deplorable, with—

Mr. Speaker: Order, please. Does the hon. member have a question to ask rather than a statement to make?

Ms. Sandeman: I am asking it.

Interjections.

Mr. Speaker: Order, please. It is not a debate.

Mr. Lewis: Do you recall what you allowed yesterday?

Mr. Speaker: I recall very well what the members did yesterday, yes.

Ms. Sandeman: My question is will the reporters be given the chance to compare the minister's spending priorities by comparing the detention cells, which the grand jury described as deplorable, with the renovations to the superintendent's office which include a new fish pool, fountain, padded doors, etc. and so on?

Hon. Mr. Davis: What are the et cetera and so on?

Hon. J. R. Smith: I think those questions would be better answered during my estimates, which are presently before the House.

Interjections.

Hon. J. R. Smith: I happened to notice the fish pond in question on my visit to the school several months ago. It apparently was made by a student in one of the shops at very little cost. Most of the other work that was done is very modest actually.

Mr. Cassidy: Why isn't there any in the detention cells?

Ms. Sandeman: Supplementary: If renovations can be done by students at very little cost, perhaps the minister could direct the attention of those students in the shop classes to include the conditions for the students themselves as well as for the administration?

Mr. Makarchuk: They always come off second best.

Mr. Speaker: A final supplementary, the member for Durham East.

Mr. Moffatt: I would like to ask the minister if he would make a report to this House of any of the actions which have been taken as a result of previous grand jury reports of the Bowmanville facility, which have always found the conditions to be deplorable.

Hon. J. R. Smith: I would be pleased to.

EGG PRODUCTION QUOTAS

Mr. S. Smith: My last question is to the Minister of Agriculture and Food, hoping to tap his expertise in this particular field. In view of the fact that the federal Agriculture Minister refuses to accept the CEMA agreement, including a five per cent production sleeve, what is this minister doing to ensure that Ontario producers get their fair share of national egg production?

Hon. W. Newman: I am certainly pleased the expert has asked that question, because I would be pleased to answer it.

Mrs. Campbell: Good.

Mr. S. Smith: At least we are pleasing each other today.

Hon. W. Newman: CEMA has had some growing pains.

Hon. Mr. Rhodes: So has the Liberal leader.

Hon. W. Newman: The national programme of egg marketing in this province has had a few growing pains, but it is beginning to work. I said when I first came into the ministry, and I say it again now, that all we were asking for in the Province of Ontario was equity. We were asking to have the same treatment as other provinces had. After a great deal of federal-provincial negotiation in Ottawa, and then negotiating with the national council, our council and the marketing board, nine of the 10 provinces agreed on a level of production across Canada; the tenth province reserved judgement. After they all agreed, Mr. Whelan came down and said, "I veto it." Now we went down and we all negotiated in good faith.

Mr. Lewis: He is a Liberal, for heaven's sake.

Hon. W. Newman: I am somewhat concerned about this. Maybe the member, with his great relationship with the Prime Minister of this country, would do something about it, because I still don't know why I got that wire. I am concerned and our negotiators have been in Ottawa this week working on the matter. I am now waiting for word from our own Egg Marketing Board about what they would like to do, and I probably will be able to support them.

Mr. S. Smith: Supplementary: I think that wire was disgraceful. I want to know whether the minister is prepared actually to fight for Ontario's rights in this regard, whether there is any—

Interjections.

Mr. S. Smith: —bargaining power that he feels he has. Does the minister feel he has any bargaining power with which to get the real rights of Ontario and not just to kowtow to Mr. Whelan in this disgraceful attitude that he has taken?

Mr. Yakabuski: Where does Whelan come from—Manitoba?

Mr. Lewis: Here now, don't do that to the Liberals.

Interjections.

Hon. W. Newman: Mr. Speaker, let's deal government-to-government and let's find out what this—

Interjections.

Mr. S. Smith: Deal government-to-government here, not party-to-party. Let's forget this party nonsense and deal with Ontario.

Mr. Speaker: Order, please; we're wasting time.

Hon. W. Newman: Maybe you should do a little self-examination.

Mr. S. Smith: If you come for a battle of wits, come armed.

Hon. W. Newman: I'll tell the member this, we have negotiated an equitable deal for the Province of Ontario. We have an Egg Marketing Board in the Province of Ontario which is a producer board and we've had meetings with them and with our Farm Products Marketing Board and we have worked out the agreement. If the member feels so strongly about it, I would appreciate his support, too.

Mr. S. Smith: You have it.

Hon. W. Newman: He should help his friends in Ottawa, and I'm not trying to pass the buck. We're negotiating—

Interjections.

Mr. Speaker: Order, please.

Hon. W. Newman: We are negotiating right now to try to work this matter out. The egg producers of this province know what I've done and will continue to do to try to protect their interests to make sure they get a fair deal.

Mr. S. Smith: You are the one who talks to them, government-to-government.

Hon. Mr. Rhodes: They used to be your friends.

Mr. Reid: They used to be your friends too.

Mr. Speaker: The hon. member for Oriole.

Mr. Moffatt: Ugh.

Mr. Speaker: Order, please.

Hon. Mr. Rhodes: It's the same way we feel when you get up, Moffatt—"Ugh."

DISPOSAL OF UNUSED DRUGS

Mr. Williams: Mr. Speaker, a question of the acting Minister of Health.

Interjections.

Mr. Speaker: Order, please, the time is nearly up for question period. I suggest we get on with the business of the House.

Mr. Williams: The other day, Ald. Betty Sutherland, a member of the local council of the borough of North York, disclosed that schoolchildren had found unopened vials of serum and unused hypodermic needles behind a medical centre in the borough of North York. This gives me cause to ask the acting minister what preventive measures exist under the Public Health Act or its regulations to ensure against this type of occurrence normally taking place? If there are not adequate preventive measures, what remedial measures would she suggest be taken at this time?

Hon. B. Stephenson: Mr. Speaker, hospitals and other institutions at which pathological specimens are removed and gathered are under a specific regulation regarding disposal of those substances. They in turn also dispose of various drugs and vials of materials in a similar way. Most of this is incinerated. However, physicians' offices are not so regulated.

The action of the Ministry of Health and the medical profession in the Province of Ontario has been an educational programme, particularly in view of the vast increase in the usage of disposable syringes and disposable needles, to make physicians and their staffs aware of the necessity of breaking those syringes and needles, and opening and draining vials of materials before they are put out for ordinary garbage collection. This is a very real health hazard and it is recognized as such.

LOTTERY TICKET DISTRIBUTION

Mr. Samis: A question to the Minister of Consumer and Commercial Relations. What's happening over there?

An hon. member: That's a good question.

Mr. Samis: It is Friday.

Mr. Breithaupt: Do you want a general answer or some specifics?

Mr. Samis: How can he explain the fact that 23 lottery agents were able to sell tickets in this province without receiving police clearance or government identity cards?

Mr. Drea: Olympic Lottery? You know the answer to that.

Mr. Breithaupt: Now they want identity cards.

Hon. Mr. Handleman: Mr. Speaker, all we do is approve clearance for those Olympic lottery distributors whose names are given to

us by the regional director—who is no longer the regional director—and presumably the regional director who is no longer the regional director failed to give us those names to clear.

Mr. Breithaupt: Appoint a new director.

Mr. Samis: A supplementary: Could I ask what steps the minister is taking, beyond replacing the director, to make sure this doesn't happen again?

Hon. Mr. Handleman: Mr. Speaker, I don't think we have any force whereby we can order the Olympic Lottery Corp. to send names to us. These people who have been appointed without our clearance under the terms of the agreement are not officially Olympic Lottery distributors.

Mr. Peterson: A supplementary: Is the minister prepared to make recommendations to the corporations under the jurisdiction of his ministry to clean up that whole terrible mess of the lottery corporation and the distribution system? What is he prepared to do to protect the people of this province? Is he prepared to make recommendations?

Mr. Yakabuski: The headquarters is in Quebec.

Hon. Mr. Handleman: Mr. Speaker, there is a very iron-clad agreement between the Province of Ontario and the Olympic Lottery Corp. as to the procedures it is to follow in selling Olympic tickets in this province. It has not followed them.

Mr. Peterson: Wintario?

Hon. Mr. Handleman: I have nothing to do with Wintario.

Mr. Deans: How can it be an iron-clad agreement?

SCARBOROUGH CENTENARY HOSPITAL ASSOCIATION

Mr. Stong: Mr. Speaker, I have a question for the acting Minister of Health. Is the minister aware that the board of directors of the Scarborough Centenary Hospital held their annual meeting last evening and denied 2,100 members of the public from active participation, even though they had signed up for the association by invitation? Given that fact, what is the ministry going to do to prevent public hospital boards from hereafter having the right to deny public membership in the hospitals, especially where they are provided for by hospital association bylaws?

Hon. B. Stephenson: Mr. Speaker, I am aware of the circumstances of last night. I am also aware of the circumstances which led up to the situation which occurred last night, and the peculiarities of the application forms which were submitted by 2,100 people. The Ministry of Health is most certainly concerned that boards of hospitals be representative of communities, and there are model bylaws laid down by the Ministry of Health which undoubtedly will be reviewed, as I know the Scarborough Centenary Hospital is going to review its bylaws in view of this situation, which is quite unusual in the province.

Mr. Stong: Supplementary: Is the ministry taking an active part in reviewing those bylaws with that board?

Hon. B. Stephenson: Mr. Speaker, the Ministry of Health took an active part in drafting the bylaws in the first place and it most certainly takes an active part in any review of them.

Mr. Germa: Supplementary: How can boards of directors of hospitals ever be representative of communities until such time as they are elected to their position of authority?

Hon. B. Stephenson: There are presently some in the Province of Ontario which are elected.

Mr. Laughren: Not in Sudbury, I'll tell you.

Hon. B. Stephenson: It's not necessarily widespread at the moment, but this is certainly one of the aspects of representative hospital government which we are looking at.

Mr. Laughren: Sudbury is not one of them.

Hon. B. Stephenson: With the input of district health councils, this situation will probably be modified.

GAINS CLIENTELE RENEWAL

Hon. Mr. Meen: Mr. Speaker, the member for Windsor-Walkerville (Mr. B. Newman) asked me earlier what information was communicated to our GAINS clientele as to the requirements for renewal. I've ascertained that, beginning in December and flowing through January, and I understand completing in February, the federal Department of National Health and Welfare provided to all their OAS-GIS recipients application forms for renewal of their qualifications for purposes of requalification in this month of April. They do this each year.

So in February, with our cheques, we included a stuffer that refers to the federal application form and says, "If you have not completed this form, please do it now," and it then goes on to provide the phone numbers for the toll-free line of Zenith 8-2000 into our information office if there are any questions. A similar form was included in the March remittals also to our GAINS recipients. I might just add, in conclusion, that they are bilingual.

Mr. Bain: Even when people fill out all these forms in plenty of time, they still have their supplement and their GAINS cut off. What steps will the minister take to ensure that the file can be reviewed, etc., so that this won't happen?

Hon. Mr. Meen: Mr. Speaker, I think I've already answered the question with respect to the tapes that come through from the OAS-GIS qualification under the National Health and Welfare scheme. And, of course, I've already answered that in our own case our analysis of the application forms is current.

Mr. S. Smith: Supplementary.

Mr. Speaker: No, I think there are too many supplementaries. There are two minutes left in the question period, and 35 minutes were taken with the two leaders' original questions and their supplementaries. You can't have it every way. The hon. member for Carleton East.

COMMUNITY ENVIRONMENTAL CONTROL COSTS

Ms. Gigantes: Mr. Speaker, a question to the Minister of Housing: Is the minister aware of the letter written by the manager of the municipal and private abatement section of the Ministry of the Environment, Mr. Larry Stout, to members of the South Urban Community Committee, suggesting that the ministry and all the people involved in the planning of that community had better take another look at the cost involved in environmental control and the priorities under the Ottawa-Carleton regional plan?

[11:00]

Hon. Mr. Rhodes: No, Mr. Speaker, I am not aware of that letter.

Mr. Lewis: That's quite a letter!

Hon. Mr. Rhodes: I am aware of that.

Mr. Speaker: A supplementary.

Ms. Gigantes: Will the minister make himself aware of the contents of that letter and

take into consideration the new evaluations and studies which the Environment Ministry has done? The suggestion in the letter is that there has been an indication of inadequate weighting of these very important studies for potential destruction of the Rideau River—the prohibitive costs that may be involved in developing an environmentally clean development in that area.

Mr. Speaker: Order, please. This is not a debate on the subject.

Hon. Mr. Rhodes: Mr. Speaker, I will certainly make myself aware of the letter, as the hon. member would like.

RENTAL CONSTRUCTION

Mr. Givens: I would just like to ask a question of the Minister of Housing. In view of the diminution in the tempo of construction of rental residential housing, what initiative is he taking in conjunction with tri-level governmental action in moving the railway corridor at the Union Station southward in order to free up enough land to enable the construction of about 10,000 units of rental residential accommodation there, which could be done on very short order?

Hon. Mr. Rhodes: Mr. Speaker, as far as the tri-level action goes, I have done nothing at this stage. I have had discussions with the federal minister, Mr. Danson, trying to determine in what direction they intend to go or would like to go in that area as it relates to their whole Harbourfront project. We have had some discussions and there will be more, but I have not entered into discussions involving the federal government and the municipality at this stage.

Mr. Speaker: The oral question period has expired.

Petitions.

Presenting reports.

Hon. Mr. Welch: May I table copies of Ontario's proposal for an alternative method of pricing domestic crude oil which, it is my understanding, will go on the order paper and be taken into consideration in the House on Monday afternoon.

Mr. McKessock from the standing miscellaneous estimates committee reported the following resolution, which was read as follows and adopted:

Resolved: That supply in the following amount and to defray the expenses of the

Office of the Assembly be granted to Her Majesty for the fiscal year ending March 31, 1977:

Office of the Assembly

Office of the Assembly
programme \$12,372,500.

Mr. Speaker: Order, please. There is a great deal of noise in the chamber.

Motions.

Hon. Mr. Welch moved that the private members' hour for Monday, May 3 be held at 5 p.m. on Thursday, May 6.

Motion agreed to.

Mr. Speaker: Introduction of bills.

HIGHWAY TRAFFIC AMENDMENT ACT

Mr. Evans moved first reading of bill intituled, An Act to amend the Highway Traffic Act.

Motion agreed to; first reading of the bill.

Mr. Evans: Mr. Speaker, a brief explanation. If this bill is passed it would make it mandatory for all car manufacturers to install air bags in all automobiles as standard equipment. It has already been proved without a doubt that air bags save lives and that they inflict no inconvenience on the passengers of the automobile. I have also been informed that the cost of installation on a production basis could be lower than \$65 per car.

EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Lewis moved first reading of bill intituled, An Act to amend the Employment Standards Act, 1974.

Motion agreed to; first reading of the bill.

Mr. Lewis: Mr. Speaker, the purpose of the bill is to require employers to pay employees their regular wages where the employees' contract of employment is or has become impossible of performance or frustrated by an order, direction or notice made, given or issued under any Act for health or safety reasons. The employer would be required to pay the employee for a period of up to 60 days while the cleanup or repairs are taking place.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Williams moved first reading of bill intituled, An Act to amend the Legislative Assembly Act.

Motion agreed to; first reading of the bill.

Mr. Williams: Mr. Speaker, this amendment would require a person who holds office as a member of a council of a municipality and whose term of office is not yet three-quarters expired, to resign his office on official nomination day if he wishes to be elected to the assembly.

ANSWERS TO WRITTEN QUESTIONS

Hon. Mr. Welch: Mr. Speaker, before the orders of the day, I wish to table the answers to questions 2, 16 and 22 on the notice paper. (See appendix, page 1868.)

Mr. Speaker: Orders of the day.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

BUDGET DEBATE (continued)

Mr. Williams: Mr. Speaker, I appreciate the recognition from the opposite side of the House.

Mr. Lewis: There was once a member of this House who spoke for several months—

Mr. Breithaupt: And nobody noticed.

Mr. Lewis: —on the budget and then he expired.

Mr. Williams: Patience, patience. Mr. Speaker, last time, I was discussing the budget on the basis of the fact that I felt the papers introduced by the Treasurer (Mr. McKeough) on budget evening, April 6, had merely highlighted the real substance and pith of the state of the union, so to speak, as reflected more in depth in the budgetary position papers following the introductory remarks that were made by the Treasurer that evening. As such, I thought it was necessary and incumbent that the real pith and substance of the budget be introduced into the record in the light of a certain amount of hyperbole, containing mistruths or mis-

informed statements as to what, in fact, the budget was all about.

Accordingly, I had spent the evening dealing with the first five position papers and was about to comment on the sixth paper, which unfortunately among all of them was the only one that contained a note of pessimism. One may question why the Treasurer had seen need even to present a paper on this matter, which is primarily a federal consideration in that it has international implications.

As pointed out in the position paper dealing with the performance under the auto pact, the Treasurer was quick to point out that, in fact, as the auto industry goes, so goes the wellbeing of this province. It was clearly stated that 90 per cent of the Canadian automotive industry is located in Ontario and it accounts directly for over 12 per cent of the wages paid in this province. Further, it reflects one out of every six job opportunities existing in this province. It is for this reason, and so it should have been, that the Treasurer pointed out the fact that there appeared to be a serious situation developing in this very basic industry of the province, and as such introduced the position paper. I think it's unfortunate that, to date, due attention hasn't been given to this document. I'm sure there'll be much more discussion on it in the weeks to come, of necessity and out of great concern, by all members of this House.

I would point out, as the position paper does, with regard to the short-term recovery in the industry that there's no doubt of that now that we're moving out of our recessionary period. The Treasurer feels and I think this House should now address itself collectively to the serious longer-term problems in the Canadian industry which this paper identifies and suggests ways and means of perhaps dealing with. In this regard the paper identifies three fundamental problems that have been detected from this study, while firstly pointing out that no real in-depth assessment or study of the auto industry had been done in Canada since 1970, which I think is a shocking revelation in view of the fact that this is a very substantive basic part of our economy.

The Treasurer points out in his paper, very briefly as an introductory aspect thereto, that the auto industry in Canada has undergone considerable growth since the introduction of the auto pact in 1965, and of this I think we're all aware and appreciative. However, this paper shows that while growth has been substantial in the initial period under the pact, major—and I emphasize “major”—prob-

lems have developed since 1969. Canada's unfavourable balance of trade was a matter of considerable concern in the late 1950s and early 1960s. Most certainly, much of the imbalance was linked directly to Canada's deficit in auto and parts trade with the United States. So there's no doubt that the auto pact had beneficial returns.

The record discloses that, as a result of the pact, assembly and parts manufacturers moved quickly to modernize Canadian production facilities and to take advantage of the opportunities presented by the integrated North American market resulting from the pact. During the first five-year period, as the industry adjusted to this new environment, significant gains were made. Again, I think we are all aware of this and it's certainly helped to increase the standard of living as a whole of all of the citizens of this province as a result thereof.

However—and this is what apparently up to this point of time has avoided detection and scrutiny and therefore has not brought forward the concern that should have been and has now been brought forward on the initiative of the Treasurer—since the advent of the 1970s serious problems have emerged and some of these gains that I was referring to have been eroded.

If I might elaborate for a few moments, in line with the commitment to strengthen the Canadian production facilities and integrate them into the North American market, auto assemblers did undertake a major investment programme under the Autopact. In real terms, capital spending doubled in the four years to 1968 over the level of the early Sixties. As a consequence, both assembly employment and productivity rose sharply in this period. By 1969, there were 6,000 more jobs in Canadian assembly operations than there had been five years earlier. Production workers in assembly were some 60 per cent more productive than they had been in 1964, in part resulting from significant capital expansion. Productivity in Canadian assembly operations was approaching the higher US levels and Canadian wages reflected these improvements.

[11:15]

It is obvious that throughout that initial period, Canadian parts and accessory producers also benefited by taking advantage of these opportunities presented by the pact and enjoyed growth equal to that of the assembly operations. Real investment expenditures in the parts industry in the five years from 1965 to 1969 averaged three times higher than the levels of the early 1960s and was

accompanied by significant improvements in productivity and employment opportunities. The parts industry had 12,000 new jobs created in that area and in 1969 this sector accounted for one-half of total employment in the industry.

In addition, production workers in the parts industry were some 40 per cent more efficient than they had been in 1964. I think this is something we have taken for granted since that period of time—this dramatic productivity improvement in both assembly and parts manufacturing. It has, I guess, been too long taken for granted and it is not until now, with the revelations in this paper, that we find that the free ride, if we want to use that term, is over.

With respect to the most recent employment trends, the number of jobs in Canada's automotive industry has declined significantly from the peak of 100,000 in the record production year of 1973. The subsequent downturn in part, of course, has been related to the recession that both countries have been experiencing. There is no question of that but it also reflects a deterioration in Canada's share of auto-related activity.

Overall, the growing imbalance is a major source of concern and, as I mentioned a few moments ago, in 1975 Canada's deficit in automotive trade with the United States, in dollar figures, reached \$2 billion. I might point out that a major Canadian objective in entering the auto agreement was, of course, to lower the costs of vehicles to Canadian consumers. In general, Canada's objectives in entering into the auto pact were substantially realized.

The auto industry capitalized on the opportunity to improve its efficiency and expand employment. Trade in automotive products was brought more closely into balance and the price differential faced by Canadian consumers was reduced substantially. Again, I have to stress, as does the paper, that in recent years a number of fundamental problems have emerged in the industry which will require action if the auto pact is to continue to provide the benefits which it has in the past.

The major problem areas which are particularly of concern to the Ontario government are ones I would like to refer to for a moment or two. They are threefold. Firstly, there is the lack of momentum in productivity growth in the industry.

Mr. Warner: Are you going to read the whole book to us?

Mr. Williams: Secondly, the allocation of activity in auto assembly between the two countries is deteriorating. Thirdly, the share of the North American market held by Canadian parts manufacturers is shrinking.

Mr. Warner: We should have another debate on silliness.

Mr. Williams: With regard to those three concerns, I would point out that the significant productivity gains which accrued to Canadian assembly operations as a result of the investment in new plant and equipment in the 1965-1968 period have changed, for in the subsequent period capital expenditure in the industry, measured in real terms, dropped to less than half the earlier rate with a corresponding impact on productivity.

Capital spending in the parts industry, on the other hand, has remained strong, relative to investment in assembly. The increase in capital investment in assembly in 1974 and 1975 is more encouraging but substantial improvements in Canada's productivity performance will require an extensive period of increased capital spending.

Mr. Lewis: What's going on?

Mr. Williams: Mr. Speaker, a comparison of Canadian and US investment levels emphasizes the relationship between capital spending and productivity. Capital spending by Canadian assembly facilities particularly has lagged considerably behind US levels in recent years.

Interjections.

Mr. Williams: The Ontario government employed its limited fiscal capacity to counteract this problem, Mr. Speaker, when it exempted machinery and equipment from—

Mr. Lewis: Mr. Speaker, on a point of order.

Mr. Speaker: Order, please. The hon. member has a point of order.

Mr. Lewis: Mr. Speaker, as one who has spoken at great length in the House, I don't want to depreciate the value of what a member said, but I do question the right of the member to read the attached budget papers into the House record word for word as though they were his own, subjecting the House now to nearly three hours of reading the budget papers. They were tabled, everyone has them, if the member has comments to make upon them, by all means. But isn't this carrying the reading principle a little far, Mr. Speaker? This procedure has gone on as

though it was the member himself, and he's simply reading from the budget paper. It's quite ludicrous.

Interjections.

Mr. Speaker: The Chair would agree that under section 16(a)4 a member should not read unnecessarily from verbatim reports of the legislative debates. This is the point, I believe, that the hon. member is raising.

He could quote from or make reference to passages. But to read verbatim, I agree. I would ask the hon. member to only refer from time to time to the report rather than reading verbatim.

Mr. Williams: Thank you, Mr. Speaker. I will quote relevant salient features of the paper as I have, to enunciate and bring to the House the importance of this document. I don't think that we should be prevented from expressing our concerns on very important aspects of the budget as contained in the papers. There is no question that I have referred to and quoted at some length from some of the papers because these are the pith and substance of what the budget has been about. I think they've been overlooked in some of the debate that's been going on in this House and as such we tend to lose sight of the resource material that substantiates many of the points made by the Treasurer in the presentation of this budget. I think there is a responsibility by myself and other members of this House to bring out these salient points because they are not a matter of record of this House. I think it's time they were introduced and considered in a more—

Mr. Mackenzie: What were they tabled in the House for?

Mr. Williams: —in-depth fashion. Too often a simplistic statement is made that so over-generalizes a complex problem that not only the members of the House but the public at large lose sight of what is transpiring—

Interjection.

Mr. Williams: —so I will accept that, Mr. Speaker. I explained to you the unabashed reference to many segments of the budget. But I will proceed in accordance with your comment. Those of the members who were present in the House were well aware I was making reference to the budget document. I have not yet met with the members of the House at all during my discussion. Unfortunately not many of the members were here to be aware of that fact, Mr. Speaker.

Interjections.

Mr. Speaker: Order, please. The hon. member for Oriole will continue.

Mr. Williams: Thank you, Mr. Speaker.

So, Mr. Speaker, I had highlighted three major areas of concern that were referred to in this particular budget paper, and again I stress that these are the areas to which not only the members of this House, but also the federal authorities, I suggest, have to direct their attention immediately. I don't think it's a matter that can be left any longer. In fact, because there had been little done with regard to an assessment of the effects of the auto pact, few people apparently were aware of this emerging problem.

The paper concludes by pointing out that action is going to be required immediately and that primarily it has to be taken at the federal level. Because of international relationships with the United States, the federal government has to assume the initiative in this matter. But this does not mean—and the budget paper makes it quite clear—that the government of Ontario intends to sit idly by and watch nothing being done to remedy this growing problem.

While the budget paper unfortunately concluded with this note of pessimism, I think that a service has been rendered by the Treasurer in tabling this budget paper so that it could be discussed openly and put into the record of the House. I think that, therefore, is a significant accomplishment and I'm hopeful that benefits will flow from that.

Mr. Speaker, I have concluded commenting on and, to some extent, quoting from these budget papers, but again I say, without hesitation, they are really the significant aspects of the budget that the Treasurer had little time to more than gloss over in his opening budgetary remarks on April 6.

Before concluding my remarks, however, there are several other points that I want to allude to, because I think that they, again, set the direction in which this government in this province is likely to move. I refer, of course, to the provisions that are being made in the budget for tax cuts to be provided to small businesses. I think this is one of the most positive steps of the budget, one that has been too long in coming, I suggest.

It's unfortunate, but it is a fact of life, that the small businesses of this province for too long have been bearing the brunt of big business and of government. They have, for too long, spent too much time being accountable to government or fending off big business and paying heavily for it in the way of taxes at the same time.

There is no question that the tax incentives offered by the paper will be more than welcomed by small businesses. It's not only in the area of economics that the small businesses are being buffeted from all directions but also in the area of the labour market as well because of the generous attitudes of the federal government in its provision of funds to the unemployed. It has had some adverse effects, I suggest, on the work ethic of this country when people find that they can do better by drawing unemployment insurance than participating actively in the work force.

Mr. Mackenzie: That's a lot of hogwash and you know it.

Mr. Williams: This has had a dramatic adverse impact on the small businesses of this province. No matter where you go throughout the province, small businessmen make this known to the politicians as one of their first immediate concerns. I think it is a concern that has to be given serious consideration. When benefits for not working exceed those for working, then I think there is something out of step—

Mr. Mackenzie: Why don't you set up an employment agency?

[11:30]

Mr. Williams: —and as such, I think this government has to show some initiative to see in what way we can assist small businesses to counteract some of these situations that are putting them under undue pressure indeed to survive and prosper in this province; in which we do encourage the initiative of free enterprise, regardless of the lampooning and downgrading by our socialist friends. I would point out that it is the private sector that has brought this province to—

Interjection.

Mr. Williams: —the high standards of living that we enjoy today; to make this province one of the most desirable parts of the country to live in, if not the world. This is attributable to the private sector, Mr. Speaker. It's not government that is productive, it's the private sector. We must not lose sight of that fact. I'm sure that the small businesses throughout the province welcome this relief and some acknowledgement of their plight, and this will help to stimulate the industry in that sector and strengthen rather than to weaken the private small business community.

One of the other areas of concern, also in the private sector, has been in one of the major resource industries—and that is in the mining industry. So often I sit in this House

and listen to the socialist members from the northern Ontario ridings participate in a continual diatribe against the large mining companies with their excessive wealth and domination of the enslaved, downtrodden workers, and—

Mr. Germa: Mr. Speaker, on a point of order.

Mr. Speaker: Order, please. The hon. member will state his point of order.

Mr. Williams: I think it's about time we put them—

Mr. Speaker: Order, please. The hon. member has a point of order.

Mr. Germa: I do not see a quorum, Mr. Speaker.

Hon. Mr. Kerr: Where are all your members?

Mr. Speaker ordered that the bells be rung for four minutes.

[On resumption:]

Hon. Mr. Welch: Mr. Speaker, on a point of order, it is interesting to note that the member for Sudbury called the quorum call and is not now here.

Mr. Williams: Mr. Speaker, I was starting to point out that not only was there need to recognize, as the budget does, the plight of the small businessman in the private sector but also the problems confronting one of the major resource industries in this province which is the mining industry. I was pointing out at that time that for too long now the official opposition has been presenting a picture, I suggest, of distortion of the real root problems which exist. Too much time is being spent on the supposed confrontation and inequities which exist between the so-called supposedly over-wealthy mining corporations and the manner in which they treat and suppress the workers of the north. I think sometimes the members from those northern ridings stay up late each night before they come into the House and watch reruns of the old movie "How Green Was My Valley" so they can come in here and talk about 19th century working conditions.

Mr. Foulds: As a matter of fact "How Green Was My Valley" and the conditions portrayed in that movie are far better than exist in many mines in Ontario today. When is the last time you flew out of Oriole?

Mr. Speaker: Order, please.

Mr. Williams: That's how far I suggest they are from recognizing the real—

Interjections.

Mr. Speaker: Order, please.

Mr. Williams: —high standards of working conditions which exist in this province today. For this reason I think it's important that we put in perspective what the real nature of the problem is in this resource industry. If you will allow me, Mr. Speaker, there are two documents from which I am going to quote very briefly because I think they say it as eloquently and succinctly as anyone could. One is a statement of concern published in the first part of this year by the Mining Association of Canada. There's one basic fundamental statement made in that document with which I don't think anyone who is informed on the subjects can quarrel.

Mr. Foulds: You don't think anybody can quarrel? You just ain't heard nothing yet, buster!

Mr. Williams: It is stated as follows, Mr. Speaker, if I might quote:

Mining is already excessively taxed in Canada. Any further government assault on its earnings must result in even further declines in exploration and development activity as well as risking the viability of many of our mines now in production. If this is allowed to happen, those areas in Canada most in need of development and those communities with the fewest economic alternatives would suffer the heaviest effects of the government's actions.

Mr. Foulds: And the government's inaction.

Mr. Deans: That could have been written in the 1920s.

Mr. Williams: And now, Mr. Speaker—

Mr. Deans: The same argument has been used since the beginning of time.

Mr. Williams: —to bring the matter closer to home—

Interjections.

Mr. Speaker: Order, please.

Mr. Williams: —to the appropriate directions in which this government should have been moving and has indicated it will move, I would refer briefly to a statement and extract, I think, the relevant pertinent comment made by the president of the Mining Association of Canada in February this year. He pointed out

that the mining industry is one which is highly cyclical.

A very real danger to the industry's future in Canada is the fact that the new tax systems applied to mining in much of the country have one element in common. They only make some vague kind of sense if it is assumed that the prosperity of the industry as it was in 1973-1974 was to be permanent.

Mr. Deans: That's the same argument they're using for taking children out of—

Mr. Williams: That was the underlying assumption behind many of the changes in mining taxation in Canada.

Mr. Deans: That is the same argument you used last time.

Mr. Williams: The federal government looked at the apparently high profits of the industry and, extrapolating from the oil situation, assumed they would be permanent. And this was explicitly stated in the 1974 Ontario budget.

During the past two years a world-wide shortage of raw materials has resulted in sharply higher metal prices and substantial windfall gains for the mining industry in Ontario. With the prospective demand for minerals likely to sustain current price trends into the future, it is only fair that we secure for the people a higher return for our natural resources.

And then in concluding the address it was stated:

The result has been a battle between the federal government and the provinces over which could extract the most from the mining industry, leading to a bewildering new array of tax systems which leave little room for investors. The new systems generally impose a savagely high level of taxation in good years, with no compensation in bad ones. The result is to guarantee that the mining industry cannot possibly earn a reasonable rate of return over a complete business cycle.

Mr. Foulds: Okay, what is a business cycle?

Mr. Deans: What is the rate of return?

Mr. Williams: And it continued:

The fact is that, prior to the introduction of the new taxes, the average rate of return in mining was about the same as that for industry generally. Some small wonder that the level of exploration and new mine development has dropped alarmingly and that the industry's growth is grinding to a halt.

Interjection.

Mr. Williams: Now, I make reference to those comments of deep concern and the fact that this government recognizes that there is some substance to those observations and concerns. Not only has some allowance been made in the budget for non-productive mines, to assist them perhaps to get back into production, but it has also been pointed out in the Throne Speech and we can therefore anticipate that further action will be forthcoming from this government—that this government will propose changes in the Mining Tax Act. As stated in the Throne Speech:

By altering the tax treatment of exploration expenses, it will make exploration as attractive in years of low metal prices as in boom times. Exploration activity is vital to the mining industry, which has been a stable contributor to the economy of northern Ontario for more than thirty years and has maintained an employment level of 50,000 people.

Mr. Foulds: How stable are Geraldton and Long Lac, and Madsen, where they are pulling out right now?

Mr. Williams: I think, Mr. Speaker, the last—

Mr. Foulds: What are they leaving behind in Ontario?

Mr. Williams: —point that I would like to draw attention to in the general statements made by the Treasurer on budget evening was a very brief reference that he made to what he called the developing new high-technology industries.

Mr. Foulds: He did that in 1973 too. Nothing has happened since then.

Mr. Williams: There is one sentence that I would like to quote from that, and then elaborate for a moment or two if I might. It was stated by the Treasurer as follows:

We have at the federal level a massive concern for industrial intervention and regulation where there should be a concerted and national drive for scientific and industrial research backed by joint public and private development of emerging high-technology industries.

[11:45]

I think that all of us would, in fact, like to see the new technologies developed in our province, bringing the living standards of our people to higher levels. There is no doubt that in order to do so we have to keep pace with the technology that is being developed in other countries, such as the United States.

But in this area there is a type of inconsistency that arises that has to give concern to all of us, because in this development of the industries in a more highly technical fashion that type of industry is normally more dependent on the use of machinery, equipment and computerization with fewer actual individuals being involved in the operation of those facilities than is found in the more traditional type of industrial setting.

This is perhaps a point where, while it has been overlooked in the budget and perhaps should not have been commented on at length at this time, I think the interrelationship here has to be at least drawn attention to, that is, the consequences of the direction in which our society is moving into the highly technological age. With the advent of production being relied upon and left more and more to machinery and highly sophisticated equipment rather than to the individual worker, this is creating and is acknowledged even today, to be bringing about a new social evolution.

It is a social evolution in which we will find, according to the experts, by the end of this century, a situation where 20 per cent of the total population will be the extent of the work force to provide for the other 80 per cent of the people in this country.

Mr. Mackenzie: You told us private enterprise could do better than that.

Mr. Williams: Now that is a significant social trend of great magnitude. This is not necessarily a bad situation or bad trend but one that we can cope with if we come to grips with it now and not at the end of this century, because government will have a responsibility.

As is already recognized within our Ministry of Culture and Recreation, government will have a responsibility to help design and plan for this type of society of the immediate future where more people, free of any physical or mental ailments and well in body and in mind, will have no need gainfully to employ themselves in the traditional fashions that we have today, because so many fewer people will be needed to be that much more productive that they will not be required. Accordingly, the great concern of the time has to be to provide for these people appropriate leisure time, to plan for people who may never, from the day they are born to their dying day, have to be involved in the work force as it is traditionally defined today.

In listening to the experts who have brought this to the attention of the people in the public sector, the politicians, they are stress-

ing now the need to give more attention to this situation. It has been demonstrated so many times how people who have worked actively through the whole of their lives and have come to a point of retirement in laying down the tools of their trade or giving up their profession, when they are left with idle time on their hands have not been conditioned or taught how to handle constructively and actively their leisure time. As a result, they have deteriorated not only in physical health but in mental health because they could not cope with actual freedom of time available to them.

As the retirement ages become lower and lower through the working conditions provided through this high degree of technology that is moving forward at a tremendous pace, it is I think understandable how more and more of our work force will not be the traditional work force of today, but there will be that very large and significant majority of our society that will not need to work and will not have to be in the position of feeling that it is an indignity not to work. It's simply that our social framework will have been redesigned to accommodate this situation. But it can have dire social consequences if government does not assist in meeting this social evolution.

I suggest that we must increase our efforts in this field for governments at all levels to prepare for this social phenomenon that is quickly emerging and, I suggest, provide greater governmental resources to assist individuals to prepare their lives in an orderly, active, constructive way so that they will know how to utilize leisure time properly.

I have had the opportunity, Mr. Speaker, to travel abroad where some countries more than others in the European community have recognized this need and have already set about in a very massive way to establish community resource centres that permit people of all ages to actively engage themselves throughout every day and week in a meaningful, constructive fashion. I'm not speaking of leisure time in the sense simply of organized sports activities. I'm speaking of leisure time in the sense of educational, social and cultural activity, not just physical.

It's in the whole spectrum of human activity that people are going to have to learn how to reorder their priorities. Not so much the new generation but the existing generation, who will find themselves moving into this era before their normally productive lifetime has ended. So there is this very heavy government responsibility to meet the challenges of the technological age, not from the point of

economics and productivity but from the point of human resources, individually and collectively.

Resource centres are being built in other countries, and in fact in our own jurisdiction. I suppose—

Mr. Mackenzie: Now you want more government involvement.

Mr. Williams: —those human resource centres are really more readily defined as some of the more innovative library facilities being built in our own metropolitan areas, where the library is not only a place for books but also for productivity, where one can involve himself in cultural activities, the theatre and things of this nature. These are the type of things I am referring to, to which I know our own Ministry of Culture and Recreation has been giving attention and has, in fact, as recently as the end of this year established a position paper with regard to the handling of leisure time. I'm only pointing out, Mr. Speaker, that we have to develop and expand upon this. I think that our government, through the Ministry of Culture and Recreation, will take the initiative in recognizing this problem and deal with the concerns of this decade and through to the turn of the century.

Mr. Speaker, these are some of the highlights and concerns of the budget as I have interpreted them. I don't mind having been rebuffed or criticized for going into the budget in depth. There's no more important document in my judgement that comes down during the year than this document. Too often only lip service is paid to its content and thrust.

Mr. Cunningham: You're not quitting?

Mr. Williams: Too often it's convenient to forget the real meat of the document—

Mr. Cunningham: It's easy to forget that.

Mr. Williams: —and simply make generalized sweeping statements than can be distorted and taken out of context and misrepresent in fact what the government position is. So it's important and I think necessary to get these matters on the record. I would hope that the members of the government will continue to ensure that the full presentation is on the record in any given period of time, and I will conclude, Mr. Speaker—

Mr. Cunningham: Did you cover the hospitals?

Mr. Williams: —by making one last quote from the budget—the Treasurer's comments on budget night when he points out what the main thrust of the budget was to be and in fact is. On page 4 of the budget the Treasurer states, in the second paragraph, that it is his conclusion and the conclusion of this government, I suggest to you, Mr. Speaker, that the Ontario economy does not require government stimulation at this time as it did in the 1975-76 budget. Rather, the thrust of the provincial policy, as stated by the Treasurer, should be to rely on the private sector expansion to generate growth and employment. This does not imply a purely passive role for the government. As the Treasurer stated, it requires an active role in ensuring that the necessary resources flow into private activities and are not usurped by government spending and borrowing.

Mr. Speaker, the point is that it's about time that this government, in reordering its priorities started to give at least the same amount of attention to the private sector and the need to support our economy as it has been giving in the area of social and health needs of this province.

Mr. Cunningham: You don't care about the private sector.

Mr. Williams: So, Mr. Speaker, it is on this healthy note that I think this budget will carry this province and its citizens into another period of prosperity and will continue to prove that indeed Ontario is the province of opportunity.

Mr. di Santo: After the prolonged, unusual and somehow sadistic punishment inflicted on this House by the member for Oriole (Mr. Williams), I'll try to come back to some reason.

I'd like to express the view of my party on some of the crucial problems that the Province of Ontario is faced with at this point and with which the budget fails to cope. I will try to prove at the same time, Mr. Speaker, the failure of this government to cope with the major economic problems of this province as well as its ineptitude in facing the same problems in relation to the federal government.

Both in the Speech from the Throne and in the budget presentation, the government of Ontario made clear that its priority is a commitment to the federal anti-inflation programme. To demonstrate its determination, the government made a series of decisions directed on its own terms at fighting inflation while at the same time protecting "the well-being of millions of citizens."

For the well-being of millions of citizens, the government announced on Dec. 19 the closing of hospitals with the immediate consequence of laying off 5,000 workers. It announced the reduction of government grant increases to municipalities at a level of 7.8 per cent, and it restricted the provincial government's budget for social services to an increase of only 5.5 per cent.

Everybody knows what that means for the well-being of millions of citizens of Ontario. By closing hospitals, the government created frustration and panic in small communities which were kept completely unaware of what this government had in mind. Thousands of families were confronted all of a sudden with the prospects of unemployment, and some communities like Goderich were faced with the prospect of losing their major employer.

[12:00]

By reducing funds for social services, the government has been able to create panic and frustration among the most vulnerable groups of our society, the senior citizens, the Children's Aid Societies, the welfare recipients. By breaking the Edmonton commitment, the Conservative government of this province has proven that there are no limits to cynicism when a party has been in power for 33 years, without the control of an effective and solid opposition.

To begin with, by increasing grants to municipalities by only 7.8 per cent, the government violates its own commitment to transfer to municipalities a percentage equal to the increase of provincial revenue which this year is 20.4 per cent. Secondly, as a result of its decision, the provincial government is forcing municipalities and school boards to increase property taxes. The government is convinced that the taxpayers of Ontario will lay the blame on local government and remain unaware of the fact that the responsibility lies with the provincial government, this very government which is proposing this budget to us.

This is perhaps the most cynical example of a cruel exercise of power. There is no fairness and there is no honesty in what the government is doing. This is most clear when we see that the Conservative government of this province is forced to recognize the necessity of reforming the tax property structure even though it will not touch the old tax system. My colleague from Welland-Thorold (Mr. Swart) will explain in detail our position on this matter, based on the findings of our municipal taxation task force. I would like to point out once again, with an example the

abhorrent results of the government decision to reduce grants to municipalities.

In Metro Toronto in 1976, the average property tax will be \$1,000, out of which from 50 per cent to 60 per cent will go towards financing education expenses. That means that the pensioner with \$269 a month is forced to pay almost one-third of his pension for property taxes. If we consider the increase of hydro, oil, gas and water rates, we can easily figure out what this government is doing to the well-being of thousands of pensioners who have been struggling all their lives to buy a house and now find themselves in a position in which this government is putting them of not being able to keep them, let alone survive in a dignified way.

There is no equity in the present tax system; there is no justice; there is no progressivity and there is no rationality. If you consider that at the very moment when a citizen retires with a consequent dramatic drop in income and when he does not have any children in the school system and the government is forcing him to pay the same amount of taxes, you will realize once again how hard it is hitting the most vulnerable part of our population. The government is attacking those citizens who are vulnerable and most defenceless, and the government knows that. In its hypocrisy it says it is doing that for the well-being of Ontarians.

My party has opposed and will continue to oppose the government on those policies. There is no political gimmick, no political expediency that will permit us to support or even to explain the government's actions. They are dictated by a conception of exercise of power which is anachronistic in its historical development, remote from the needs of the people in its approach and substantially undemocratic. If in terms of human consequences, the government policies have tragic effects on people in general economic terms, they prove the basic inability of the Conservative government to manage the economy of the province.

After 33 years, the Conservatives are in the position of not having the least notion of handling the economic situation of the province in a way that makes sense. After having benefited temporarily from the post-war boom and, above all, from the increase of American capital invested in Canada and in Ontario, they are now faced with a situation of stagnation. Their only hope is the recovery of the American economy. That has been stated by the Treasurer (Mr. McKeough) in the budget and I can imagine who relieved he was last week when figures released on the American economy showed a surprising upswing in the

gross national product in the order of seven per cent in the first quarter of the year. This is the best Easter gift our Treasurer could hope for.

How easy it is to jump on the bandwagon of a recovering and possibly buoyant American economy and go to the Ontario voters as the hero able to solve their problems without making the least effort. Too beautiful if it was true.

The fact is that the government of this province has not got an economic strategy for Ontario. It is relying heavily on factors, like the recovery of American economy, which is outside its control and it is raising issues like the gas and oil pricing and the auto pact as an internal tool to embarrass and fight the federal government. In this internal skirmish with the federal government, the Premier of Ontario (Mr. Davis) and his Treasurer make such value judgement mistakes that they are able to make fools of themselves by virtue of the very arguments they use.

Let's take the issue of oil and gas pricing with the related trade problems. I think this is one of the central issues of the economy of this province. In its paper on Oil and Gas Pricing and Trade Competition: an Ontario View, the Treasurer of the province states:

Increases in energy prices have a significant impact on the basic cost of living of Canadians. Clearly, further oil and gas price increases at this time are inconsistent with the objectives of the federal anti-inflation programme.

He goes on to say that in 1975, a \$1.50 increase in oil prices raised the consumer price index of Canada by 2.3 per cent on a full year basis. He estimates that an increase of \$2 per barrel is apparently favoured by the federal government before the last paper released the other day on energy and energy strategy, would erode the effectiveness of the anti-inflation programme.

Despite this consideration the Conservative government of Ontario still subscribes to the anti-inflation programme in such an uncritical way that we are led to believe that either the provincial government doesn't understand the implications of accepting the federal programme or it is acting in bad faith.

In the third paragraph of the Speech from the Throne of March 9, 1976, the provincial government states emphatically:

Our province today faces some critical economic realities. The economic vitality and protection of its people requires, as never before, a capacity to make choices and set priorities. In recognizing this, the government of Ontario has supported and

will continue to play its full role in the national anti-inflation programme as part of its greater commitment to protect the well-being of millions of citizens.

It is difficult to reconcile the factual evidence of the impact of the oil pricing on the cost of living with the light-hearted acceptance of the federal anti-inflation programme. But that is not the only deficiency of this government.

If you look carefully at the so-called goals proposed by the government of Ontario in its oil policy—and that came before the paper released the other day by the federal Minister of Energy, Alastair Gillespie—we can see that on April 2, 1976, the Treasurer of Ontario states that the objectives are geared to:

1. Expanding security of supply; maintaining and enhancing Canada's competitive position.
2. Minimizing price impact on consumers.
3. Maintaining a credible relationship between selling prices and production costs.
4. Ensuring that the indexing factor for natural gas not be increased over the current 85 per cent at this time.
5. Recognizing the needs of oil-producing provinces.

The present Ontario view, Mr. Speaker—and I don't want to emphasize at this point how ridiculous was the comment made yesterday by the Minister of Energy (Mr. Timbrell)—the present Ontario view would be understandable if it was not the reflection of the position of our province at federal-provincial conferences held since 1973; and more exactly, a reflection of the dismal performance of the Premier of Ontario and the Ontario delegation at the first ministers' conference in March, 1974 when the first of the three increases in Canadian crude oil prices were established.

Ontario's position at that conference is best expressed in the Premier of Ontario's statement to the Legislature on March 28:

In spite of this cost, which will have to be paid by consumers in Ontario, I am convinced we have preserved for Canada the benefits of this country's vast energy resources.

This is unbelievable now. He stated:

The increased price will permit rapid development of new energy resources. The lower-than-world price will maintain a competitive advantage for Canadian industry. Consumers in the eastern provinces will be protected from the high cost of imported oil. The western provinces will have a base on which to diversify their economic development. Canadians will have a stabilized price for at least a year [And he was right.]

while the rest of the world faces uncertainty, and Canada will be spared a potentially divisive constitutional confrontation. I think yesterday was a reasonable solution for this province and for Canada.

The statesman-like posturing aside, the government emerged from the conference with its dignity utterly tattered. The \$2.50 per barrel increase announced by the Premier turned out to be \$2.70. The confusion—and this is memorable—resulted from the fact that the Premier of Ontario and his delegation didn't understand the difference between wellhead and city-gate prices. And that proves how much this government can be proud of its ability to manage not only the economy, but the minimum economic understanding of the facts.

[12:15]

In the months following the increase, the producing provinces and the federal government waged an often intemperate battle over the resources taxation field. The resulting distribution of the proceeds of the increase between the oil industry and government was evidently not to Ontario's satisfaction

Apart from the disruption and uncertainty caused by the federal-provincial tax confrontation, oil companies emerged with a cash flow from \$6.50 per barrel of oil only marginally above the cash flow from \$3.80 per barrel of oil. In other words, almost all of the \$2.70 price increase flowed into government coffers. The tax and royalty structure now in place leaves Canadian companies at a competitive handicap in terms of their ability to finance the exploration and development necessary to expand Canada's energy reserves. This clearly indicates the need to reduce the royalty tax burden so that companies have adequate cash flow to finance the exploration and development necessary to expand Canada's energy base.

This is from the 1974 budget.

The statistical tables appended to the budget showed a cash flow increase of only eight cents resulting from the \$2.70 increase, a picture which clearly served the industry's aims. But in a pattern which emerged repeatedly in government dealings with the oil industry, there was no attempt made to evaluate the level of cash flow in relation to the need for exploration and development.

Ontario went to the second first ministers' conference expressing opposition to any price increase on economic grounds and arguing that exploration and development should be financed through a reduction of the tax take from the then-existing price of \$6.50.

This year again, the Treasurer is worried about what he calls "ill-timed price increases." and I quote from page 17 of the budget statement:

... from which far too much of the revenue will go to government rather than towards private exploration and development activities.

But what is curious is that in the other day's Globe and Mail the president of the Canadian Association of Oilwell Drilling Contractors said that last winter their association achieved "virtually full utilization of their 285 land-based rigs scattered across western Canada," which means that the exploration activity was widespread, almost at full capacity.

The 45-day price freeze suggested by the federal government, as you remember, Mr. Speaker, to exhaust inventories accumulated at the old price of \$3.80 a barrel was accepted without comment. The \$1.50 increase in the crude oil price unveiled in 1975 in the federal budget met with righteous indignation and energetic exchanges in the Ontario Legislature as usual, but nothing else. But barely 10 days after the federal budget the government reacted in the unpredictable fashion characteristic of Ontario Conservatives in an election year—by freezing prices for 90 days and appointing a royal commission.

Exactly one year after the first ministers' conference which decided the oil price increase, the government of Ontario is revealing once more its inability to express a policy in the interest of the people of Ontario. Once again the government expresses a position in the form of an Ontario view and nothing else. Once again the government of Ontario repeats the same mistakes.

To begin with, the Premier and his government show that, if nothing else, they are less sophisticated than the federal Liberals. Secondly, they are unable to reconcile their position as defenders of the interests of the people of Ontario with their deep hate for the federal government. The fact is that they are subservient to the same interests as the Liberals and, therefore, they are unable to defend the interests of the people they represent. Once again, in 1976 they are proposing a system of oil and pricing that is, to say the least, amateurish in its proposals, if not the fruit of incredible naivety.

When they propose a blanket price, as the Minister of Energy of Ontario does in his paper of last March, 1976, in effect they are accepting a market situation which stems from the determination of the big oil com-

panies to market their oil in Canada at a price that only the oil companies can decide. All the estimates of costs are based on figures supplied by the oil companies. At this point, there is no serious possibility of the federal government controlling the price structure of oil in Canada, because all the figures come from the big corporation board rooms and the government of this country has abrogated all its rights to scrutinize one of the major factors of our present economic system. What is even more tragic is the fact that the petroleum industry is the centre of direct foreign investments in the Canadian economy accounting for almost 30 per cent of the total.

Since the Canadian subsidiaries of the major petroleum companies do not enjoy significant autonomy in Canada, that means that their policies are dictated by the corporations according to their global well-being. Since they are operating on a world scale, the companies are responding to the needs of their head offices, rather than to the needs of the Canadian economy and the Canadian people.

It has been the contention of this party that the pressure to move the price of Canadian oil upward is derived from the changed international oil situation and not from increased costs of extracting domestic crude oil. The justifications given by the oil industry for the increases—limited Canadian reserves and higher production costs—have focused attention in Canada on the extent of domestic producible oil reserves and the costs of extracting oil. Nothing has had more significant impact on Canadian petroleum policies than the enormous change in estimates of petroleum potential production—producibility—that have occurred since the spring of 1973. It is interesting to re-emphasize that, especially in the light of the new so-called energy strategy announced by the federal government the other day.

In June, 1973, the Department of Energy, Mines and Resources published estimates of Canadian petroleum producibility for the rest of this century, drawing its data largely from the petroleum industry. In its long-heralded report, *An Energy Policy for Canada*—this is the first one in 1973—the department made two estimates for Canadian oil producibility, an optimistic and a pessimistic one.

According to the optimistic forecast, Canadian oil production will be increased from about two million barrels a day in the early 1970s to a peak of 10 million barrels a day by the year 2000. The pessimistic forecast predicted that Canadian oil output would increase steadily from the levels of the early

1970s to a peak of six million barrels a day by the year 2000.

In April and May, 1974, the National Energy Board held hearings in Calgary, Vancouver and Ottawa to determine the appropriate level of Canadian oil exports. These hearings were the occasion for a new set of estimates of Canadian petroleum producibility that were dramatically different from the ones set forth in the energy report a year earlier. Based again on information provided by the petroleum industry, the National Energy Board report made the following forecast: Conventional oil producibility would decline from 2.04 million barrels a day in 1975 to 1.29 million barrels a day in 1982, and oil sands producibility would increase from 60,000 barrels a day in 1975 to 220,000 barrels a day in 1982. The National Energy Board concluded that between 1975 and 1982 Canadian oil producibility would decline from 2.1 million barrels a day to 1.51 million barrels a day.

In terms of the specific sources of supply that make up the estimates for 1973 and 1974, the latter estimate is lowered for each area of supply. Producibility estimated for conventional crude in the Prairies is lowered, and the amount of oil sands production to the expected by the early 1980s is lowered. But the most important difference in the two estimates comes from the fact that the 1974 National Energy Board report assumes no production at all from the Canadian Arctic over the next decade. The previous report had assumed that the Arctic would prove a much larger source of crude oil in the future than would the Prairie provinces.

The 1974 National Energy Board estimate showed that Canadian demand for indigenous crude oil and pentanes would increase from 1,205,000 barrels a day in 1975 to 1,530,000 barrels in 1982. These figures assumed that Canadian crude oil would supply the market west of the Ottawa Valley and would supply 250,000 barrels a day to Montreal refineries after the extension to Montreal of the interprovincial pipeline. It was assumed that the balance of the market east of Ottawa Valley would be supplied with overseas crude oil. By 1982, the National Energy Board estimated, demand for crude oil east of the Ottawa Valley would amount to 12,000,000 barrels a day. Accordingly, Canada would need to import 950,000 barrels of crude oil daily to meet its eastern Canadian needs.

By 1982, according to the new National Energy Board estimates, Canadian producibility would lag behind the demand for indigenous crude. A shortfall would result, leaving

Canada with no crude for export and with the need to supplement its supplies of crude with additional imports. By 1982, Canada would be a net importer of about a million barrels a day of crude oil.

The contrast between this scenario and even the most pessimistic of the 1973 projections is marked. The earlier projection stated that at prices up to \$6 per barrel, Canada would meet all of its oil requirements, not just demand west of Ottawa plus 250,000 barrels per day, to the year 2010. At higher prices the horizon would be extended even further.

[12:30]

The change of estimates from 1973 to 1974 has enormous implications for the future of the Canadian economy. Any appropriate national industrial strategy will be heavily influenced by the availability and cost of energy. The oil producibility estimates of 1974 imply a much bleaker industrial future for Canada than do the estimates of a year before. It is these new estimates that provide the rationale for higher oil prices in Canada.

What is truly disturbing about the changes in estimates is that they came about so suddenly, with such unanimity among the oil companies and to date they have not been questioned seriously by any provincial or federal board of inquiry. Provincial and federal governments have simply gone along with the new revealed truth from the oil industry.

The price of crude oil has now been raised in two stages from the frozen level of \$3 a barrel in September, 1974, first to \$6.50 and now to \$8. It is evident that the drive for higher prices will not be satisfied until the world monopoly price of \$11 a barrel has been reached and that is an indication of the new energy policy provided the other day by the federal government.

The Economic Council of Canada, the government of Canada and the government of Alberta are all committed to this objective. In fact, the incredibly counter-productive excise tax on gasoline imposed by the federal government has already raised the effective crude price in Canada for consumers of gasoline to an equivalent of \$11.50 at the wellhead.

It is our contention that the change in producibility estimates came at a time that was simply too convenient for the interests of the petroleum industry to be accepted at face value. It was entirely predictable that the companies would change Canadian producibility estimates when the Canadian crude oil price was frozen far below the world price.

The oil companies definition of reserves is different from that of the average person. As far as the companies are concerned, petroleum estimates are not simply calculations of physical quantities of petroleum that can be extracted. They are economic assessments of what can be produced profitably.

Since the companies invest on a global basis, it follows that the higher the world oil price goes the less relatively profitable Canadian production will be at any price frozen below that level. For oil industry planners, Canadian oil reserves can readily shrink or expand depending on the relation of the domestic price to the world price. The National Energy Board recognizes this in its report when it states that economic factors rather than technological problems were the key to Canadian producibility. The report stated:

Various studies of geologically potential oil, gas and other resources leave little doubt that there are abundant deposits in widely scattered areas of Canada. The conversion of known resources such as the oil sands and heavy oils and inferred or potential resources, such as are expected in the frontier areas, into established reserves will require technological progress but, more importantly, will require favourable economic conditions for development, production and transportation . . . given sufficient lead time and proper economic incentives, there is a good prospect that Canada could become self-sufficient in energy for a long period.

Historical precedent should warn us, as well as the latest events in this area, that the current wave of concern about impending oil shortages in North America is part of a time-honoured tradition by which the petroleum industry forces up prices and profits.

The present energy crisis is by no means unique. There have been several similar crises in North America over the past half-century. In 1947, in 1935, in 1923 and in 1921 crises remarkably similar to the present one terrified consumers in North America. On each occasion the public was told that petroleum reserves were fast drying up and that higher prices were needed to sustain a renewed search for energy resources. In a copyright investigation for the *Philadelphia Inquirer*, published in July 22, 1973, two reporters, Donald Barlett and James Steele, looked at the earlier energy crises and concluded:

During each crisis, oil companies complained of a shortage of crude oil and lack of incentives to find more . . . the im-

pression is left in the public's mind that the United States is rapidly running out of its most precious fuel.

None of this has changed much in 50 years of recurring oil crises. And, ironically, each time the crisis is resurrected, crude oil reserves in both the United States and the world usually stand at all-time highs.

The flexible nature of reserve estimates was recently reviewed in a statement closer to home. On April 25, 1975, the Edmonton Journal quoted Don Stacy, Amoco Oil's chief engineer in Calgary, as saying that with more expensive recovery techniques Alberta's resources of producible oil could double from 6.4 billion barrels to 12.7 billion barrels—almost double.

The evidence strongly indicates that the petroleum companies have altered producibility estimates to force up the domestic petroleum prices, thereby increasing their profits. We draw this conclusion on the presumption that nothing else would have caused the companies to change their estimates simultaneously at just the moment when such a change would profit them most. For governments to accept the changed estimates at their face value is the height of folly.

Of course, only the oil companies know for sure. Their monopoly of information concerning Canadian producibility means that the true facts of the case are locked in their offices. At present, the companies are the only organizations in Canada capable of taking complete inventories of the nation's petroleum reserves. The monopoly of information in the hands of the petroleum companies makes a mockery of democratic debate concerning the nation's economic policies.

Obviously the appropriate industrial strategy to be pursued by Canada is affected vitally by the long-run supply and cost of energy available to the nation. To assess what are likely future supply conditions in the Canadian petroleum industry, Canadians are required to act like detectives, trying to divine what this or that public assertion by the oil industry actually means. When preparing this speech, we were tempted to print in block letters on the cover the following warning: "The statistics quoted were released by the petroleum industry in Canada. They are subject to sudden dramatic revision without prior notice."

Not only do the petroleum companies have a monopoly of information concerning the prospects of the industry in Canada, they also have great power to influence what Cana-

dians hear about energy policies. Anyone who has ever watched Imperial Oil hold up the faceoffs at Mape Leaf Gardens with its advertising knows that the companies have given up selling gasoline on Hockey Night in Canada.

Just yesterday, the Public Petroleum Institute of Canada presented a brief to the CRTC requesting a similar time because they consider the ads of Imperial Oil as political ones and not commercial ads. Imperial Oil is selling its approach to petroleum policy to the people of Canada by telling us gravely of the risks it is taking in our interests, of course.

Mr. Warner: Misleading.

Mr. di Santo: The advertising budgets of the oil companies, now directed to convincing people that higher prices are justified to assure adequate energy supplies, are undoubtedly competitive with the sums spent by all of the political parties in the past Ontario election campaign and certainly dwarf the budget of this political party.

Later on, we will have also something to say about the political contributions of the oil companies to some of the political parties represented in this House.

An hon. member: Not ours.

Mr. di Santo: We submit that democratic decision-making with respect to the nation's industrial strategy will become possible only when a full-scale and impartial public inquiry into the change of producibility estimates is made. Such an inquiry would best be held at the national level.

The inquiry should have full powers to subpoena the records of the petroleum companies; moreover, it should investigate the relationships between the industry and public regulatory bodies such as the National Energy Board. But it is apparent that such an inquiry will not be undertaken by the federal government and will not be considered by this provincial government in its undertaking with the federal government at the next first ministers' conference.

Someone must fill this policy vacuum. If the federal Liberals cannot find the will to challenge the oil industry, perhaps the provincial Tories can find the courage they have lacked in the past. That's what we are recommending.

The Public Petroleum Association of Canada released the results of a national public opinion poll which revealed that a majority of Canadians are in favour of placing the

foreign-owned oil and gas companies in Canada under public ownership.

I mention this because, if the government of this province will take into account the possibility of negotiating with the federal government, since this is one of the most important provinces in Canada in industrial terms and in terms of energy consumption, I think it would be a concrete and realistic step that the government of Ontario could make in the interests of the people of Ontario, whom they so often mention they represent.

[12:45]

The Canadian Institute of Public Opinion, the organization which conducts the Gallup public opinion polls in Canada, was commissioned by the Public Petroleum Association of Canada to conduct the study. The poll, sampling the opinions of 1,038 adults across Canada during the first week in November, showed 51.1 per cent of the respondents in favour of nationalization of foreign-owned oil and gas companies, 30.6 per cent opposed and 16.7 per cent who didn't know. They were responding to the following question:

Canadians are facing rapidly rising prices for oil and gas as well as uncertainty concerning future energy supplies. In view of this, do you think the large foreign-owned oil and gas companies should or should not be nationalized by the Canadian government and operated as a public utility?

For the Province of Ontario, the results were as follows: 53.6 per cent supported nationalization, 27.5 per cent were opposed, and 17.3 per cent didn't know.

The poll tells us that although there are still significant numbers of people on both sides of the question, opinion is consolidating around the position of public ownership of Canada's oil and gas industry. This is a critical development in the whole debate on foreign ownership. It shows that for the first time an absolute majority of Canadians are agreed on the means by which to establish Canadian control of the most powerful foreign-owned industry in Canada.

"It is a logical development fully in keeping with the Canadian experience that the option of a public utility should be favoured," Mr. Laxer, a spokesman for the Public Petroleum Association, said:

Seventy years ago a movement for what was called "public power" brought about public ownership of this province's electric utilities. I believe we are seeing the beginning of a new phase in the movement for public power, this time in the field of

oil and gas. Since then, those favouring public ownership have become an absolute majority while those who are content with foreign ownership have fallen significantly in numbers.

But even if we accept uncritically what the oil companies are asking and the government is giving, we have to realize that the government of Ontario with its proposed oil policy is undermining the economy of this province.

If we take as a term of reference the federal budget of 1975, then it appears clear to us that the cost of production of oil was at that time \$1 a barrel. I am referring to the federal budget. The companies get \$2.75 after taxes. It is humanly logical to ask the Premier of this province (Mr. Davis). On what basis are you advocating the increase of oil price no matter whether it is new or old oil?

I should point out at this point, since the Minister of Energy of this province (Mr. Timbrell) has pointed out the benefits of the blended oil price, that it has been experienced in the States. But it is also true that the oil companies have used their reserve as a means of speculation rather than as a means of supplying oil to the United States on the basis of blending prices with the new oil—which means that when the companies think it is profitable they will extract the old oil; when they think that it is not profitable they will keep it underground.

Two years ago, the Premier was mistaken by agreeing to the oil price increase because probably at that time he didn't know the difference between wellhead and citygate price. Has he not learned anything from that lesson? He should know by now that energy plays a major role in Ontario's economy as well as in every modern industrial economy.

Just to bring to the attention of this House how tricky this government is when it deals with the people of Ontario, I'd like to bring to the attention of the House a document which is not an official paper, as was the budget presented to us by the Treasurer—and not to mention the superfluous repetition given to us by the member for Oriole (Mr. Williams).

I want to bring to the attention of this House a document to which I attach a great importance, because it comes from Mr. Clifford Jutlah, who is an Ontario government economist with the Treasury. He makes an analogy which is very close to what my party has been saying for years. It is a statement released on Nov. 29, 1975, and is on the question of the relationship between energy and economy. He says:

The question I would like to deal with is the relationship between energy prices and the Ontario economy. We all know what has happened to energy prices over the last couple of years. At the world level we have seen something like a five-fold increase in the price of oil. In Canada, it more than doubled. In the case of natural gas the recent increase—something like 88 cents per mcf at the field level—compares with 22 cents per mcf prior to Nov. 1, 1974.

The price of coal has also gone up more than 250 per cent and the same story can be told for uranium.

In order to understand the way in which those changes in energy prices affected the Ontario economy, let me outline some of the elements of the structure of the Ontario economy.

Ontario turns out the equivalent of \$33.7 billion of goods and services measured in 1961 constant dollars. This is the value of the real gross domestic product for Ontario; the estimate for 1975. The total employment is estimated to be about 3.6 million persons in 1975.

Out of that total value of real gross domestic product, about 45 per cent originates from the goods sector with primary industries providing about four per cent, manufacturing 36 per cent, and construction about five per cent. Services account for about 55 per cent; transportation and communication facilities amount to about 11 per cent; trade, finance, real estate, insurance, about 25 per cent; community, business and personal services account for 14 per cent; the rise in government employment or public administration accounts for about five per cent.

About 38 per cent of Ontario employment is in the goods producing industries, while 62 per cent originates in the service sector. Manufacturing alone accounts for about 27 per cent of the employment in the goods producing industries; and among the services, trade, finance, real estate and insurance about 22 per cent; community, business personal services, 25 per cent.

Ontario in many senses is a mature economy. It is very well diversified and I think the prospects are for a continuation of the trends toward increasing output relative to employment in the service sectors.

Now where does energy fit into this picture? Let's look at some of the main features of Ontario's energy consumption

profile in 1974. Ontario used about 2.8 quadrillion Btu. The important thing to know about sources of energy in Ontario is the following: Primary energy, in the form of oil, accounts for 41 per cent of the total; natural gas 24 per cent; coal 13 per cent; and indigenous nuclear and hydro power 20 per cent. Of course, a lot of the natural gas and coal that we buy is used to produce electricity. Electricity, taking account of the nuclear and hydro component, the fossil fuel component and imported electricity, accounts for 32 per cent of Ontario's consumption of energy. Ontario then depends very broadly on oil sources of energy, primary as well as secondary, and we are far from being a nuclear state.

Looking at energy used in another facet, we find that the residential sector uses about 42 per cent of the total oil purchased by Ontario and the business sector uses the remaining 58 per cent. The residential sector uses about 20 per cent of Ontario purchases of natural gas and these are direct purchases by the residential sector. Of course, ultimately the large part of the business sector purchases of electricity, natural gas and oil flows through the residential sector.

Mr. Speaker: Perhaps the hon. member might wish to adjourn the debate at this point?

Mr. di Santo moved the adjournment of the debate.

Motion agreed to.

Hon. Mr. Welch: Mr. Speaker, before moving the adjournment of the House, may I indicate our programme for next week? On Monday afternoon we have the special discussion in the House, taking into consideration the whole question of oil and gas pricing in preparation for the meetings later that week in Ottawa; so Monday afternoon from 3 to 6 will be taken up by that discussion. There will be no sitting on Monday evening. On Tuesday afternoon from 3 to 6 we will do legislation as set out in the order paper. On Tuesday evening there will be the budget debate. Wednesday is committee day; the House itself will not sit. On Thursday afternoon we will do estimates from 3 to 5, private members' hour from 5 to 6 as the House has directed, and on Thursday evening we will consider estimates. On Friday morning of next week we will resume the budget debate again. Are there any questions, Mr. Speaker, in connection with the programme?

Mr. Deans: To be clear, the order of the legislation is as printed?

Hon. Mr. Welch: Yes.

Mr. Deans: Fine. Thank you.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 1 p.m.

APPENDIX

(See page 1851)

Answers to questions were tabled as follows:

2. Mr. Reid—Inquiry of the ministry: Would each ministry advise the number of people employed by that ministry on a contract basis, the gross salaries paid to these people and the length of the contract as of April 1, 1975?

Answer by the Chairman, Management Board of Cabinet:

The following listing shows the number of contract staff, and the approximate bi-weekly salary costs for each ministry as of April 1, 1975. It should be recognized that the salary amounts shown represent a best estimate and cannot be readily annualized. This is due to the fact that contracts vary in length, and terms of payment. Hourly and per diem rates have been computed on the basis of 40 hours or five days per week, which may not represent the actual time worked by all such persons in all cases.

Ministry	Number of Contract Staff	Salaries (Bi-weekly)
Agriculture and Food	14	\$ 4,500
Attorney General	928	113,750
Colleges and Universities	58	18,000
Community and Social Services	1,595	485,000
Consumer and Commercial Relations	54	14,000
Correctional Services	1,076	259,000
Culture and Recreation	8	5,000
Education	953	339,000
Energy	16	5,500
Environment	363	46,500
Government Services	408	135,000
Health	1,115	684,000
Housing	233	59,500
Industry and Tourism	114	40,000
Labour	25	10,500
Natural Resources	995	400,000
Transportation & Communications	2,691	958,000
Revenue	70	20,500
Solicitor General	400	29,000
T.E.I. and A.	199	78,500
Provincial Secretariats	15	5,000
Civil Service Commission	98	21,000
Management Board	13	7,000
Premier's Office (including Cabinet Office)	20	8,500
	<u>11,461</u>	<u>3,746,750</u>

Within the OPS contract length varies from position to position and ministry to ministry. People employed on a project basis would be hired for the duration of the project with the contract being renewed yearly, if necessary. Professional staff, e.g. teachers and physicians, are hired on yearly contracts.

Part-time employees work a variety of hours up to 24 hours a week but their contracts usually are for a one-year period. Seasonal employees are on contracts which relate to the season, e.g. snow plough operators in winter and summer student employees' contracts correspond to the summer vacation periods.

16. Mr. Godfrey—Inquiry of the ministry: Can the Minister of Health assure us that the chemical Abate which is proposed for use in the mosquito control programme is a safe chemical and does it have any advantages over Altosid, which is reported to be 17 times less toxic?

Answer by the acting Minister of Health:

The chemical Abate is a most effective larvicide against all species of mosquitos. It is low in toxicity to man and is not damaging to other good insects or to the environment. It bears a caution label as required by the federal Department of Agriculture labelling requirements

made under the Pesticides Products Act. This means that while its toxicity is low both for inhaled exposure or absorption through the skin, precautions should be taken by those occupationally exposed to it, to avoid eye irritation and prolonged periods of inhalation.

Altosid is a growth regulator. It interferes with the stages of development of mosquitos and other insect larvae. It has a very low toxicity to man. However, it has just received temporary registration from the federal Department of Agriculture. Temporary registration means that field trials can now be undertaken to see if the practical application will be effective and if there will be only an acceptable level of environmental damage. The Ministry of the Environment will be conducting field trials in Ontario mosquito breeding habitats this year.

The *Culex pipiens* species of mosquito is known to be a vector of St. Louis viral encephalitis, the virus responsible for last summer's outbreak. Altosid does not show promise of being effective against this mosquito; indeed, the manufacturer does not recommend its use against *Culex*. It has been suggested that the water temperature of Ontario mosquito habitats is part of the reason, but the main reason is the feeding characteristic of the *Culex* larvae. Altosid shows promise of being effective against the spring *Aedes* varieties of mosquitos. These particular mosquitos have not been found to be vectors for the virus.

22. Mr. Angus—Inquiry of the ministry: Would the Minister of Government Services please provide legal descriptions of the land occupied by the Thunder Bay Correctional Centre and please designate present uses, whether by lease or otherwise, of those present lands? Also, would the minister please designate the agricultural land classification of the industrial farm lands and their present use?

Answer by the Minister of Government Services:

The legal description of the land occupied by the Thunder Bay Correctional Centre is as follows:

Township of Neebing, district of Thunder Bay, south of the Kaministiquia River; part of lot 20, lots 21, 22, 23 and 24, concession 2; lots 24 and 25, concession 3; part W-1/2 of lot 22, and part of lots 22, 23, 24 and 25, concession 4; lot 23 and part of lots 24 and 25, concession 5.

The total land consists of approximately 1,299 acres which is presently used as follows: 567 acres used by the Ministry of Natural Resources for recreational purposes; 242 acres used by the Ministry of Correctional Services for institutional purposes; 490 acres leased for agricultural purposes.

The agricultural land classification of the industrial farm lands is classification 3, suitable for production of hay and roughage. This land is used for hay production.

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Legislature of Ontario Debates

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Third Session of the 30th Parliament

Monday, May 3, 1976

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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LEGISLATURE OF ONTARIO

MONDAY, MAY 3, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

NEW HOME WARRANTY PLAN

Hon. Mr. Handleman: Mr. Speaker, I would like at this time to clarify the government's position on new home warranties. As you are aware, the Speech from the Throne indicated that a new Home Warranties Act would be introduced providing for registration of home builders and a warranty plan to protect home buyers from builders' defaults and poor workmanship. This is still our intention and, in fact, the bill is now proceeding toward final draft. It will be introduced to the House shortly.

As hon. members may be aware, the Housing and Urban Development Association of Canada has announced a voluntary warranty and insurance system. I want to make it absolutely clear that there is no conflict between these plans. The Ontario new home warranty legislation will interface smoothly with the HUDAC scheme. The plan, when operational, will provide Ontario home buyers with the most comprehensive and effective home warranty and insurance coverage in Canada.

We have worked closely with HUDAC for more than two years. Originally, a national home warranty scheme was proposed but when this became unworkable HUDAC and the government resolved the problem in the best tradition of industry-government co-operation. I congratulate HUDAC on its plan and I take this opportunity to inform the members of this House that the bill outlining details of the Ontario new home warranty plan will be introduced shortly.

Mr. Deans: You said that two years ago.

HEALTH MINISTERS' MEETING

Hon. B. Stephenson: Mr. Speaker, last week I attended the conference of federal-provincial Health Ministers in Ottawa; today I am tabling the official communiqué of that meet-

ing. I am going to comment on only one aspect of the conference, but I respectfully suggest to the hon. members that they note particularly the items in the communiqué relevant to such health concerns as automobile accidents and alcoholism, to name just two of the important health matters that were under discussion.

In discussing the extension of cost-sharing under existing health legislation and a review of legislation to replace the existing hospital insurance and medical care Acts, Ontario's position was that it was inappropriate, now, to discuss these topics, since they will in fact be discussed at a first ministers' meeting in the very near future. At that meeting the federal government is expected to present a major new proposal for the financing of mature cost-shared programmes.

We continue to hope that the new initiative will respond constructively to Ontario's preferred alternative of opting out for tax points. These tax points are equalized in such a manner that the less affluent provinces would not be undercompensated.

I stressed at that meeting that Ontario is not prepared to take part in more general discussions on health cost-sharing until a co-ordinated federal action is apparent.

In view of the lack of provincial consensus, the federal government stated that the provinces will have until Oct. 1, 1976, to consider the extension of federal cost-sharing under existing legislation to lower-cost services.

Technical people in our respective ministries will continue to have dialogue concerning the federal proposals, in order that the matter may be resolved as rapidly as possible after the first ministers' meeting.

TEXTILE IMPORTS

Hon. Mr. Bennett: Mr. Speaker, I would like to review very briefly, our critical concerns related to the employment and viability of firms in the textile and clothing industry here in Ontario. In particular, we are concerned about the import situation that is urgently demonstrable in the polyester field.

There have been two reviews by the Textile and Clothing Board related to the im-

ports of polyester yarns into this country. In both instances, the Textile and Clothing Board recommended action be taken to control such imports, but no action was taken by the federal government on the recommendations of the board. The last report made by the Textile and Clothing Board was on Feb. 14, 1975. The most current recommendations have not, as yet, been made public.

In the absence of federal action, the situation is continuing to degenerate, with the result that in the past three months, 150 employees have been released from their work in Cambridge, approximately 350 became unemployed in Millhaven, and layoffs are anticipated in Cornwall. I anticipate a further announcement, likely this afternoon, by a large industry in Ontario. Unless immediate action is taken by the federal authorities, such employment erosion is likely to continue.

I last communicated the concerns of Ontario and its industry in this regard to the Hon. Don Jamieson on April 13 of this year. While no action has yet been taken related to the polyester yarn situation, there was an announcement on April 15 of this year which indicated that federal action was being taken on measures related to men's and boys' shirts, acrylic yarn, implementation of surveillance measures on outerwear and structured suits and jackets, and negotiations with Hong Kong and Singapore for restraints on knitted fabrics coming into Canada.

Additionally, it should be noted that the Senate issued, on April 7 of this year, the first report to the government recommending immediate measures to alleviate the current textile problems to improve the industry's labour situation in Canada. My ministry is in full support of the majority of the Senate recommendations and urges the federal government to act on the recommendations immediately.

I am also pleased to announce that this province, along with Manitoba and Quebec, is to join with the federal government and the industrial representatives to recommend changes in the national textile policy. Immediate discussions are scheduled in view of the crisis that exists in the industry and its important employment consideration.

My ministry issued an analysis of this particular sector in November, 1975. The response to our request for participation by concerned associations and companies in the sector has been excellent and should allow the province to reflect the needs of this industry in any discussions with the Textile

and Clothing Board and with the federal government.

We will be looking for immediate action by the federal government and making our position clear related to the renewal of the multi-fibres agreement and other GATT-related matters in the textile industry. We certainly feel that Canada should provide its industries the same domestic environment that industrialized countries now provide for their industries.

TRANSPORTATION COSTS IN NORTHERN ONTARIO

Hon. Mr. Snow: Mr. Speaker, on April 13 this year I tabled in the House a report entitled, "An Investigation of Freight Rates and Related Problems in Northern Ontario."

This report was, in fact, an executive summary prepared after discussion with other ministries from an extremely large background report. I had not intended to present a large background report to the House, because of the limited quantity available and the high cost of publication. However, several hon. members have requested this information. As there are a limited number of copies available, I would like to table one copy, and there will be a limited number available—perhaps one to each caucus library would be sufficient for the background material.

BUILDING CODE REVISION

Hon. Mr. Handleman: Mr. Speaker, I'd like to inform the House that my ministry is in the process of preparing an amendment to the building code at the request of a number of rural municipalities in Ontario.

As the code now reads, an individual constructing farm buildings for his or her own use is exempted from applying for a building permit and satisfying the structural requirements of the code, provided the building is not intended for residential use. The amendment which we propose would remove this exemption on building permits for farm buildings.

At the present time, only buildings manufactured for sale to a farmer and erected by someone other than the farmer are required to comply with the provisions of the code. This was done to afford farmers third-party protection without interfering with their ability to do the work themselves, and we do not propose any change in this requirement. Alternatively, the enforcement of zoning and obtaining information for assessment purposes involves logging considerable mileage.

It is my view, therefore, that the building permit procedure suggested by the rural municipalities is the most constructive way to deal with this problem, since to do otherwise would tend to increase municipal expenditure at a time when constraint on spending is being sought by all levels of government.

The amendment is also in keeping with our stated policy that the building code would not be used to transfer authority from the municipalities to the provincial government.

TRANSPORT BOARD REPORT

Hon. Mr. Snow: Mr. Speaker, as promised last week, I would like to table today copies of the report of the Ontario Highway Transport Board relating to applications by Carleton Bus Lines Ltd. and Hagar Coach Lines Ltd.

Mr. Speaker: Oral questions.

HAMILTON-WENTWORTH HEALTH COUNCIL

Mr. Deans: I have a question for the acting Minister of Health: Can the minister indicate whether she is now prepared to yield to the Hamilton-Wentworth Health Council, the powers which were delegated to it to make a decision with regard to what is in the overall best interests of the provision of health care facilities for the Hamilton-Wentworth area, and to accept its latest proposal in that regard?

Hon. B. Stephenson: Mr. Speaker, the hon. member knows that this is precisely the intention of the Ministry of Health and has been throughout this time of discussion, and I can assure the hon. member that the Hamilton-Wentworth Regional Health Council will be in receipt of information and response from the ministry within the next day or so.

Mr. Deans: By way of supplementary, can I assume from that then that she is prepared to allow them to do the job for which they were set up, provided they operate within the guidelines, as they are, in fact, now doing?

Hon. B. Stephenson: Mr. Speaker, as I said before, we have always been prepared to have that council function in that way.

CHILD IMMUNIZATION

Mr. Deans: I have another question for the acting Minister of Health: Can the minister indicate whether it is true, as reported today

in the Ottawa press, that information was brought to the attention of the Ministry of Health in Ontario with regard to some highly contagious strains of polio germ being found in two sewage outlets dumping water into the Ottawa River in the month of January, and that to this point nothing has been done about it?

Mr. S. Smith: Were you here Friday?

Mr. Deans: I heard your question.

Hon. B. Stephenson: Mr. Speaker, we responded to that question, as a matter of fact, last Friday. There has been information, which has been gathered from various sources, that certain strains of polio virus have been found in certain sewage disposal areas. If, in fact, the immunization level of the population is adequate, then this is really of no concern to the general population. However, because of our concern that in some areas, and particularly within some groups, the anti-polio immunization is not adequate, we are very much concerned about this and have instructed medical officers of health—and, hopefully, the physicians of the province will have taken heed as well as the parents of the province—to ensure that children's immunization programmes are maintained.

Mr. Deans: Supplementary question—I was here Friday and I did hear the discussion of immunization, and that's not what I am asking about; I can appreciate the need—I want to know what took place between the month of January, when the federal Ministry of Health was informed of the kind of polio strains in the outlets, and the month of March when the Province of Ontario ought to have known and should have been taking some steps? I understand the minister responded to the matter of the vaccine on Friday. I listened to it very carefully.

[2:15]

Hon. B. Stephenson: I cannot tell the hon. member precisely what happened between the month of January, when the federal government was informed, and the month of March, when the provincial government was informed. I have no explanation for the lack of action in that two-month period. However, our concern, as I said, is primarily protection of the public against such possible infection with such possibly virulent strains, and that is where our activity is taking place.

Mr. Deans: One final supplementary: Given that there seems to be some rather serious lack of communication, would the minister then make herself informed as to how it could be that a matter of such importance

could be within the knowledge of the Department of National Health and Welfare in Ottawa and would not have been made available to the Ministry of Health here at Queen's Park in order that the appropriate and necessary steps could be taken, because it could be happening in other places in the province?

Mr. Yakabuski: The Liberal leader never told us, and he is always getting information and instructions from Ottawa.

Hon. B. Stephenson: Or it could be happening in other places in the country, which is probably of even more importance. But we shall certainly try to find out why the delay occurred.

LLBO AND LCBO EMPLOYEES' WAGE NEGOTIATIONS

Mr. Deans: I have one final question for the Minister of Consumer and Commercial Relations. What's wrong with the negotiations between his ministry and its employees in the Liquor Licence Board and Liquor Control Board areas? Why is it that these negotiations, which commenced more than a year ago, have not reached a satisfactory conclusion?

Hon. Mr. Handleman: First of all, of course, as the hon. member knows, the bargaining unit negotiates with its employer, which is the Liquor Control Board and Liquor Licence Board of Ontario—not with the ministry. Quite true, the negotiations have followed the usual course of negotiations: offers have been made, counter-offers have been presented and eventually the negotiations went to arbitration, which is provided for under the Act. It went to arbitration and under our agreement with the Anti-Inflation Board, any arbitration award in excess of the guidelines is submitted to the Anti-Inflation Board, which has now made a decision. My understanding is that the employees' association will be appealing that decision, and I don't feel I would like to comment on their dissatisfaction with the AIB decision at this point.

Mr. S. Smith: Supplementary: Could the minister explain to me how it is that when that arbitration agreement was made, it went to the Anti-Inflation Board and was opposed at the Anti-Inflation Board by Mr. Evans, the chief negotiator for the LCBO? How can it be that the government would oppose the arbitrated settlement in front of the Anti-Inflation Board in Ottawa?

Hon. Mr. Handleman: First of all, I deny that the arbitration award was opposed. It was not opposed, either by the ministry or by the representatives of the board. What was opposed was a claim that was made by the association concerning an historical relationship with the employees of the Brewers' Warehousing Co. in Ontario, and that was the only part of the employees' position before the Anti-Inflation Board which was denied by the two boards.

Mr. Yakabuski: The leader of the Liberal Party is getting bad information from Ottawa again.

Mr. Bounsall: Supplementary: Further to that point about the opposition to that historical connection between the liquor store employees and the Brewers' Retail employees, was that opposition taken with the full knowledge of the minister, to whom the liquor board answers?

Hon. Mr. Handleman: No, it was not, but it was made during the arbitration; and in order to be consistent, the board felt it had to maintain that position at the Anti-Inflation Board as well. It did not oppose the arbitration award.

Mr. Speaker: A final supplementary. The member for Sarnia.

Mr. Bullbrook: Are we to understand from the response of the minister, notwithstanding the fact that he doesn't do the actual collective bargaining, that the arbitration sections of the Crown Employees Collective Bargaining Act are no longer effective in this province?

Hon. Mr. Handleman: I normally don't give legal opinions; I take them. Under this circumstance, I would suggest that question should be asked of the Attorney General (Mr. McMurtry).

Mr. Roy: Don't be so modest.

Mr. Bullbrook: May I be permitted to redirect my supplementary to the Attorney General?

Mr. Yakabuski: Mr. Speaker, is this a debate?

Mr. Speaker: Perhaps the hon. member can make it a new question a little bit later.

Mr. Bullbrook: Whatever you wish, Mr. Speaker.

Mr. Speaker: The member for—I'm sorry; I thought that was the last question that the member for Wentworth wanted to ask.

Mr. Deans: It would have been, but the Minister of Education has just wandered in.

Mr. Speaker: You may ask it.

WINDSOR TEACHERS' DISPUTE

Mr. Deans: I'd like to ask, with regard to the Windsor situation, what now?

Hon. Mr. Wells: What now, what?

Interjections.

Hon. Mr. Wells: Mr. Speaker, I would be happy to tell my friend, as he's aware, the letters that I sent to both the board and the teachers about opening the schools today were received by them and were responded to. The teachers indicated acceptance of the conditions laid out in the letter, which would have opened the Windsor schools this morning. The school board, in its wisdom—

Mr. Foulds: Or lack of.

Hon. Mr. Wells: —or lack of wisdom—

Mr. Deans: Now we know what the problem is.

Hon. Mr. Wells: —rejected the offer and said that for a particular reason it would not agree to the offer, which would have opened those schools today. The main basis of its objection was an objection to one of the mediators who had been suggested to sit in to help guide the proceedings through this week.

At the present time, the Education Relations Commission is carrying on some further talks with both parties to see if there isn't a way of opening those schools tomorrow. I have to accept that people who believe in local autonomy in this province, and who are elected to do a job, can find a way to do that job without interference from down here. My faith in that kind of a premise may be shattered, but I still believe in that premise.

Mr. Deans: Supplementary: Is the minister prepared to make it clear to teachers and boards alike that we've come to the end of the road as far as legislating people back to work and dealing with problems that they are either elected to solve or employed to perform, and that they had better find another way, because we're not forever going to be doing their job for them?

Hon. Mr. Wells: I have to say to my hon. friend that at the present time my uppermost concern is to get the schools in Windsor open

again and the children back into school. I've got to decide on ways that this can be done, and that is what I am thinking about at the present time.

Mr. Ruston: Let's do it.

Mr. B. Newman: Supplementary: Mr. Speaker, in case the problem is not resolved today and the minister is convinced that the impasse remains, is he prepared to introduce legislation and pilot it through in one day so that a minimum amount of school time is lost by the students?

Mr. Foulds: That's the Liberal stand.

Hon. Mr. Wells: Mr. Speaker, I don't think—

Interjections.

Mr. Deans: That's the Liberal position.

Mr. Speaker: Order, please.

Hon. Mr. Wells: Our prime concern is to get those schools open. I see ways that they can be opened and the local autonomy preserved, which I know my hon. friend believes in—and which everyone in that party believes in also—and if people are elected locally to do a job, let them get on and do it. I might commend to all members that they read the editorial in the Windsor Star today.

Mr. Bounsall: On the question of the Windsor teachers, will the minister be involved quite personally in talking to the board to see if there is any possible way he can change the members' minds and get them to negotiate? Or, if one is thinking in terms of legislation—and the minister has to have that as one of the alternatives in his mind—would he consider legislating what was, I think, a very reasonable proposal made by him last Wednesday?

Hon. Mr. Wells: Mr. Speaker, all I can say is that I have been involved personally for more than a week with this matter and with both parties.

PRIVATE LABORATORIES

Mr. S. Smith: A question to the acting Minister of Health: Can she confirm that a certain private laboratory, namely S and M Lab, has been performing tests for which the laboratory is not licensed and that it has been billing OHIP for these tests? Is it true that her only response to such activity has been to order the lab to stop doing these illegal

tests and possibly try to recover the amount by withholding future OHIP payments?

Hon. B. Stephenson: Mr. Speaker, that laboratory is under investigation at the moment. A special audit is being done. There are certain other investigative procedures which are being carried out, and I think perhaps it would be inappropriate to speak further about it at this point.

Mr. S. Smith: Is the minister able to confirm that in fact this lab applied to do certain of these tests and was informed on May 14, 1975, that it could not; that the owner of the lab met with the minister when this decision was reconfirmed, and yet it has been doing some of these tests anyway? Will she, in fact, report to the House on this situation, without in any way harming the investigation that is presently going on?

Hon. B. Stephenson: Mr. Speaker, I shall attempt to do so.

Mr. Deans: A supplementary: Is it true that, in fact, other than by performance of an audit, it isn't possible to determine by way of the computer whether procedures being charged for by the labs are procedures which they are authorized to perform—in other words, within their licences?

Hon. B. Stephenson: No, it is possible, through the procedures which are presently set up, to ensure whether a laboratory is fulfilling its licence or not, or whether it's overstepping its licence or not. It does take some special investigation to do so.

Mr. Deans: One final supplementary question: Is it not possible to set up within the computer a coding method that would show on the bill whether the procedure being billed is within the licence of that particular lab?

Hon. B. Stephenson: Mr. Speaker, I should think that the new procedures which we are establishing right now will, in fact, resolve almost all of these problems in a way which is much easier to handle than it has been in the past.

Mr. S. Smith: A final supplementary on that particular topic. Can the minister report to the House whether or not she has discovered any instances of labs ceasing to perform certain tests, yet continuing to bill OHIP for them?

Hon. B. Stephenson: Mr. Speaker, to my knowledge at the moment I have not heard of any instances of that sort, but I shall attempt to find that out as well.

Mr. S. Smith: A question of the same minister, on a related but somewhat separate topic: Regarding our exchange of the last few days about whether or not there are reports about lab work being put out to tender having been recommended to the ministry, has anybody made the minister aware of the fact that in 1971, as part of the ill-fated health constraint package developed by Dr. Kinloch at that time, a proposal to put private lab work out to tender was proposed and accepted by the Policy and Priorities Board of Cabinet?

Hon. B. Stephenson: No, Mr. Speaker, I am not aware that it was accepted by the Policies and Priorities Board of Cabinet. I am not aware, either, that it was ever put before the Council of Health, which is what the hon. member suggested the other day, and I have not seen the report of Dr. Kinloch, although I have searched for all the other reports and found no other such recommendations.

Mr. S. Smith: Supplementary: Since this is the second time that the minister, despite my denial, has suggested I said something about the Council of Health, would she be willing, please, to look into the precise question that I asked her on April 23, which had nothing to do with the Council of Health but said:

Is the minister now willing to table the reports that I asked for some weeks and months ago, which warned the ministry at least four years ago that the present system was open to abuse and recommended that such things as tenders should be asked in each region. . . .

And so on. Would she respond to the actual question, please?

Hon. B. Stephenson: Yes. I'll read it.

OCCUPATIONAL HEALTH

Mr. S. Smith: The acting Minister of Health will be delighted to know that my next question is for the Minister of Labour. This is with regard to vinyl chloride monomer that we were talking about last time. In view of the very serious problem that has arisen with vinyl chloride monomer, can the minister confirm that, in fact the guideline in this province of 10 parts per million is just a guideline, and that a maximum of 25 parts per million is allowed before the plant is asked to close? Can she confirm that union representatives are not being allowed access to the charts which show what the readings are of vinyl chloride in the plants where they are working?

Hon. B. Stephenson: No, Mr. Speaker, I cannot vouch for the fact that the workers are not being supplied with that information, because it most certainly is the recommenda-

tion of both the Ministry of Health and the Ministry of Labour that workers in such plants be given the information which is handed to the companies, and it has been our explicit request that such be done.

The 10 parts per million is a guideline which has been established. It's one which the plants are attempting to reach at the moment, but I would think that perhaps it would be much more appropriate, in view of the previous question of the hon. leader of the Liberal Party, to remind him that, in fact, the very small guideline which has been recommended in the United States has not as yet been accepted anywhere in the United States as a standard or even a guideline.

[2:30]

Mr. S. Smith: A supplementary: Can the minister tell us how often and on what basis the two plants—the Goodrich plant and the Dow plant—where vinyl chlorides are involved, are being inspected by ministry inspectors? Will the minister undertake to be sure that the graphs which are being kept of vinyl chloride levels—a very sophisticated means of keeping them—will be made available to the workers?

Hon. B. Stephenson: Mr. Speaker, we attempt diligently to ensure that those reports will be made available to the workers. I shall find out the exact record of monitoring for the past year for the hon. member.

40-HOUR WORK WEEK

Mr. di Santo: Mr. Speaker, I have a question of the Minister of Labour. Since 29.7 per cent of construction workers are unemployed while, at the same time, many other workers are forced to work 50 to 55 hours a week with a negative effect from a safety, health and family life point of view, can the minister indicate whether she recognizes the opportunity of introducing by way of legislation or regulation a standard 40-hour work week with stringent overtime regulations in order to make more rational, this important sector of the economy of the province?

Hon. B. Stephenson: Mr. Speaker, as I told the president of the Ontario Federation of Labour and Mr. John Stefanini last Wednesday, the Ministry of Labour has been investigating the recommendations which Mr. Stefanini and his union have made to the ministry. It had begun that activity before it received those recommendations and he can expect to have some discussions with us in

the very near future about this specific problem.

Mr. di Santo: I have a supplementary, Mr. Speaker. Since any decision made by the ministry will be an important factor also in the current strike at the subway and in the possible controversy which will arise in the contract Local 183 is bargaining for at this moment, can she indicate to the House when she is prepared to inform us of her decisions in that regard?

Hon. B. Stephenson: Mr. Speaker, I can't indicate the exact date on which this is going to be carried out but I would remind the hon. member that the negotiators in collective bargaining negotiations are frequently extremely imaginative and very capable. I would not underestimate Mr. Stefanini's capability in this regard in any way. I do not think he is depending upon legislation to do what he wants to do in terms of the labourers' union. I would expect he would be quite capable of introducing that into his negotiations quite successfully.

Mr. Speaker: Does the member for Sarnia wish to put the question which he didn't before?

Mr. Bullbrook: I'd love it but I must yield to some of my colleagues who have preference over me.

Mr. Speaker: Thank you. I believe the hon. member for St. George has a question.

OHIP BUDGET BRANCH

Mrs. Campbell: Thank you, Mr. Speaker. My question is of the acting Minister of Health. Can she advise this House whether it is a fact that the section of the ministry dealing with the budgeting for OHIP has been disbanded and why, if that is the case?

Hon. B. Stephenson: No, Mr. Speaker, I cannot say that is a fact. It is not.

Mrs. Campbell: Mr. Speaker, is it not a fact that those engaged in that function have already had notice that they will discontinue that function? Is the minister saying that is not a fact?

Hon. B. Stephenson: Mr. Speaker, there is some integration of the budgeting mechanism within the ministry and I think that is, perhaps, what the hon. member is talking about.

LAURENTIAN HOSPITAL

Mr. Martel: I have a question of the acting Minister of Health. On April 26 she indicated to the Legislature—and I'm quoting, "A member of the council was present at the time but, in fact, that's exactly what happened;" that was in relation to the appointment by the regional chairman of three people and the minister indicated at the time that it went to council. Is the minister now aware that the regional chairman has admitted that he did not ask anyone on council? Is the minister willing to give the rest of the community an opportunity to appoint three other people to the board which will stay in existence until the end of February?

Hon. B. Stephenson: Mr. Speaker, I was in error in saying that the entire council had been consulted regarding those appointments but I have been informed that several members of the council were consulted before the names were submitted. At this point in time I would remind the hon. members that this is an interim board which is going to function only until the annual general meeting of that hospital.

Mr. Singer: By way of supplementary, Mr. Speaker—

Mr. Speaker: A supplementary here first from the member for Sudbury East.

Mr. Martel: Could the minister tell me why the government waited until the day following the termination of the appointments of Judge Michel and Mrs. Evans to that board by the province before bringing in an order in council appointing the new board?

Hon. B. Stephenson: Mr. Speaker, as I informed the House, we carried out this action on the strong recommendation of Judge Waisberg and moved as rapidly as it was possible to, in order to carry out that request of the judge. There was no relationship to any other activity.

Mr. Speaker: A final supplementary, the member for Wilson Heights.

Mr. Singer: Doesn't the minister feel that since she misled the House in such definite and probably insulting terms, she owed the House the duty of standing up and correcting the record when she found out from the chairman of the regional council in Sudbury that what she had said was wrong?

Hon. B. Stephenson: As a matter of fact, Mr. Speaker, I attempted to do so on Friday but didn't have an opportunity to stand up.

Mr. Yakabuski: You weren't here on Friday. You were in the courts on Friday.

Mr. Singer: One of the burdens of this job is to have to listen to you.

Mr. Speaker: Order, please.

INTERMEDIATE CAPACITY
TRANSPORT SYSTEM

Mr. Reid: I have a question of the Minister of Transportation and Communications. Does the minister recall his predecessor's statement in the House on April 14, 1975, in regard to intermediate capacity transit systems, to the effect that we would be hearing something within 13 months as to the new ICTS? Can he now report to the House what has happened, since that period of time has gone by?

Hon. Mr. Snow: Mr. Speaker, I don't believe the 13 months has gone by yet, has it?

Mr. Reid: It was April 14, 1975. By way of supplementary, is the minister aware of Mr. Kirk Foley, the chairman of the Urban Transportation Development Corp., commenting that these matters would be reviewed with the various people and that there would be 140 people employed in this programme by this time this year? Does the minister have any comment on that? He said there would be 140 people employed in this intermediate capacity transit system programme.

Hon. Mr. Snow: Mr. Speaker, I can't tell the hon. member, without checking with the UTDC, exactly how many people are employed on this programme at this particular moment in time but I will get that information for him.

COW-CALF STABILIZATION PLAN

Mr. MacDonald: A question of the Minister of Agriculture and Food: Can the minister confirm whether the rumours are correct which were rife at the cattle sale at Thessalon on Saturday that the premium in the cow-calf stabilization plan is going to go up from \$5 to \$15 per head? If that is going to happen, will it be accompanied by an increase in the basic price?

Hon. W. Newman: Mr. Speaker, we are working on a formula at this point in time. We are also working on what the fee will be. It will be announced before very long, after consultation with the Ontario Federation of Agriculture and other groups.

Mr. MacDonald: A supplementary, Mr. Speaker. Can the minister indicate, since he is working on it, if he is going to present a fait accompli and a finalized document? What organizations has he consulted with until now? Specifically, has he consulted with the OFA? Has he consulted with the OBIA?

Hon. W. Newman: Mr. Speaker, maybe I didn't make myself very clear the first time around. I would like to say that when we have done our preliminary work on our cost analysis of the farms across the Province of Ontario, on the cost of operating a cow-calf operation—as members know, we take several samples from around the province and work out the basic cost figure—when we have done our preliminary work I have indicated to the Ontario Federation of Agriculture we would be glad to bring them in and discuss what we have done and listen to their figures. I believe the Ontario Cattlemen's Association—which used to be the OBIA—has requested a meeting with us to discuss that also. As soon as we have our figures in place we will be meeting with them both.

Mr. Philip: A supplementary: Would the minister not consider it common sense to consult with the OBIA and the Federation of Agriculture at an early date when he is preparing his reports?

Hon. W. Newman: Mr. Speaker, as I said, the Ontario Federation of Agriculture has already suggested a price for the cow-calf this year; they have brought up a suggested price. Until we have done our preliminary figuring, how can we sit down and intelligently discuss with them the figuring they have been doing, unless we have our figures to show them?

GRAPE CONVERSION PROGRAMME

Mr. Hall: A question to the Minister of Agriculture and Food: In that the Premier announced a grape vine conversion programme last September in Grimsby, could the minister advise why this programme is not yet in operation some eight months later?

Hon. W. Newman: Mr. Speaker, the time limit has been extended for the grape conversion programme because of the problem we were having in getting the interest rates which we felt were proper. I believe the programme is in a position to move forward now.

Mr. Hall: A supplementary, is the minister aware that the proper planting season is right

now—from early April until mid-May—and that the programme is in jeopardy for this year unless immediate attention is paid to it?

Hon. W. Newman: Mr. Speaker, I see no reason why anybody who wants to go ahead with conversion should not be permitted to go ahead at this point in time. I'm aware of the fact that plantings are taking place now. There are other considerations, I think, to be taken into account when talking about conversion.

DISPOSAL OF MINE TAILINGS

Mr. Foulds: Mr. Speaker, a question of the Minister of the Environment. Is he aware of the unique sewage disposal system, approved of by his ministry, employed in the community of Madsen in northwestern Ontario which requires the use of mine tailings from the Madsen Red Lake goldmine? What steps has the ministry taken along with Housing, Natural Resources and TEIGA, now that the mine is going to close and the tailings will no longer be available for the sewage disposal system, so that the residents there don't endure an undue hardship?

Hon. Mr. Kerr: I'm not sure what the hon. member wants our ministry to do. Hopefully the plant will continue in operation, if that is the hon. member's main concern, in spite of the fact that the mine itself may be shut down.

Mr. Foulds: A supplementary, what steps is the minister taking to ensure that the sewage disposal plant is going to be maintained?

Hon. Mr. Kerr: Mr. Speaker, I would assume that if there are residents in that community, in spite of the fact that the mine may close down, it is my hope that the sewage treatment plant will continue operations and, of course, that there will be continuous monitoring of the tailings and any leaching which may result from the tailings on that site.

Mr. Foulds: A supplementary Mr. Speaker; the minister does not seem to have understood the question.

Hon. Mr. Kerr: Try it again.

Mr. Foulds: I will try it again; thank you very much, I will. Does he understand that the mine tailings are necessary for the sewage disposal plant? What I want to get from him is what steps is the ministry going to take to ensure that the system continues to operate

if the mine tailings are no longer available because the mine is closed?

Hon. Mr. Kerr: Mr. Speaker, that is a technical type of question and I would have to get some information from the officials of my ministry. I'm not sure if there are other mine tailings in the vicinity which may be available for that particular experiment. If so, they would probably have to be hauled to that site to make sure the plant will continue in operation.

Mr. Deans: Why don't you say you don't know?

Mr. Foulds: Final supplementary.

Mr. Speaker: No, that was the final one.

OHC TENDERS

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of Housing. Is the minister aware that the Ontario Housing Corp. accepted two bids on the 65-unit senior citizens' site in the town of Lincoln-Beamsville, which were not publicly opened on the date specified and that the project was recalled?

[2:45]

Hon. Mr. Rhodes: No, Mr. Speaker, I was not aware of that.

Mr. Kerrio: By way of supplementary, Mr. Speaker, would the minister look into the matter with regard to the recalling by invitation, because the housing authority thought it was economically unfeasible to build 65 units and in the subsequent recall they called for tenders on 60 units—

Mr. Speaker: Order, please. Is there a supplementary question?

Mr. Kerrio: Yes, sir. At the end of my first question I stated that the bids were recalled, and I'm relating to that now.

Mr. Speaker: Well, ask the question.

Mr. Kerrio: Is the minister aware of the fact that it was recalled on the basis of cutting the number of units and the subsequently successful bidder had not submitted a bid that was initially opened publicly?

Hon. Mr. Rhodes: No, as I said to the hon. member, I was not aware of those particular tender calls; and yes, I will certainly look into that matter to see what the circumstances were.

PUBLIC HEALTH NURSES

Ms. Sandeman: A question for the acting Minister of Health: On April 6, the minister told us she felt that progress was being made in settlement of disputes with public health nurses across the province and that she hoped to have further news to report within two weeks. I wonder if the minister could give us some updating on that situation.

Hon. B. Stephenson: I am still hopeful. We have had further meetings with boards of health and their representatives, and I am hopeful that within a reasonable period of time—and it's certainly not going to be two weeks, I'm afraid—we are going to have some reasonable suggestion to make to both sides which will resolve this problem.

Ms. Sandeman: Supplementary: Does the minister feel that the ceiling of eight per cent which the ministry has imposed on the negotiations is having anything at all to do with the slowness with which agreements are being reached?

Hon. B. Stephenson: I am sure there are a number of factors that have some influence upon the rate of speed, which is certainly not remarkable, including the fact that the boards of health seem to be unwilling to go to arbitration, as the nurses are at this point. I think it's a matter of helpfully suggesting to both sides that there are certain moves they might make which would be of assistance.

ACCESS TO HOSPITALS

Mr. O'Neil: Mr. Speaker, I also have a question of the acting Minister of Health. Is the minister aware of a letter I sent to her, dated April 22, in which I advised her that the doors of the Prince Edward County Memorial Hospital in Picton are locked at 10 p.m. daily, after which time admission to the hospital is gained by ringing an emergency door bell?

On March 27, 1976, in the early morning, the parents of three-year-old Howard Gardiner brought this child to the Picton hospital for emergency treatment. I am told that upon arrival at the hospital, it was some 20 minutes before the child was admitted to the hospital and a further 15 minutes before a doctor arrived at the hospital to examine Howard. Upon examination, the doctor declared the child dead.

Can the minister tell me if officials in her ministry are presently taking the necessary steps to ascertain the condition of the child

upon arrival at the hospital, whether or not the doors were indeed locked and the length of time that passed from Howard's arrival at the hospital until he was admitted to it?

Hon. B. Stephenson: This, of course, is a coroner's case and is being investigated at the moment. I am very much aware that certain hospitals in fact are locked after normal visiting hours and that one gains admission by ringing a bell. This is not an unusual procedure where there is not a doorman or an attendant at the door constantly. The ministry most certainly will be looking at the coroner's report.

Mr. O'Neil: As a supplementary, does the minister not feel that immediate steps should be taken to correct the situation, not only at the Prince Edward County Memorial Hospital but at any other hospital in this province where doors may be locked at night, hopefully preventing further tragedies such as this?

Hon. B. Stephenson: The public Hospitals Act makes the board of governors of hospitals autonomous—

Interjections.

Mr. Speaker: Order; order, please.

Hon. B. Stephenson: —and it is their responsibility to ensure that the level of care which is necessary within that institution is maintained. That is their responsibility to the Ministry of Health, and of course we shall undertake to ensure that.

Mr. Roy: Did you tell them that when you called them?

Mr. S. Smith: Is keeping hospitals open their responsibility?

Mr. Speaker: Order, please. A final supplementary.

Mr. Deans: Surely, in addition to guaranteeing that the level of care is maintained, there has to be a guarantee of access.

Hon. B. Stephenson: Unless the doorbell was not working, I cannot for the life of me understand why it would take any hospital 20 minutes to open a door.

Mr. Deans: No one is arguing about that.

ACCESS TO OMBUDSMAN

Hon. B. Stephenson: On April 29, the Leader of the Opposition (Mr. Lewis) asked me a question regarding a memorandum on

the bulletin board at the Hamilton Psychiatric Hospital regarding inquiries from the Ombudsman's staff.

I would like to report that in late 1975 the director of the psychiatric hospitals branch met with the staff of the Ombudsman's office to develop plans for liaison. As a result, a directive was sent to all the administrators of those psychiatric hospitals, which I shall quote:

It is to be expected that there will be investigations from time to time by staff of the Office of the Ombudsman, often addressed directly to staff of psychiatric facilities. In order to keep track of such inquiries and to provide the best and quickest answers, it is requested that the following procedures take place:

Advise the branch office by telephone that an inquiry has been made.

If it is evident that a speedy reply is necessary, telephone it to the branch office for a tape recording. A typed reply will be then completed by the branch office and forwarded immediately to the Office of the Ombudsman.

If a normal correspondence reply is suitable, send that directly to the Office of the Ombudsman with a copy to the branch office.

Inquiries to the branch office from the Office of the Ombudsman will be transmitted to the facilities in similar fashion.

This memorandum went on to advise:

It is intended to help in every possible way where such inquiries are made, the essence of any replies being both speed and providing the best of up-to-date information, avoiding the red-tape approach.

In order to ensure that the memorandum, which was placed upon the bulletin board of the Hamilton Psychiatric Hospital, be not construed as to be opposed to the function of the Ombudsman, as suggested by the hon. Leader of the Opposition, I will re-read the last paragraph of that memo which he omitted to read:

It is intended to help in every possible way where such inquiries are made, the essence of any replies being both speed and providing the best of up-to-date information, avoiding the red-tape approach.

It is perfectly obvious that the branch of the ministry involved in psychiatric hospitals was attempting to ensure assistance to the Ombudsman. I am convinced as well that it is concerned about maintaining patient confidentiality but, most certainly, our contact with the Ombudsman's office would lead us

to believe that the office has no complaints whatever regarding its contacts with Ontario psychiatric hospitals.

EXPENDITURE ON PARKING LOT

Mr. Angus: I have a question of the Minister of Government Services. In light of the constraint programme that the government is undertaking in cutting back hospital services and social services, can the minister tell me how her ministry has justified the expenditure in 1976-1977 of \$203,000, as it says in the ministry manual, for "Government complex; surface for parking lot"?

Hon. Mrs. Scrivener: I will respond to the question at a later date.

Mr. Angus: Supplementary: While the minister is preparing her response, could she also investigate the costing of that parking lot resurfacing since it is already covered with a good layer of asphalt; and why is it going to cost \$203,000 to resurface that?

LLBO AND LCBO EMPLOYEES' WAGE NEGOTIATIONS

Mr. Bullbrook: I have a question of the Attorney General, further to my supplementary directed previously to the Minister of Consumer and Commercial Relations and my comments last week with respect to the estimates of the Management Board. It is in three parts.

May we presume correctly that the attitude being taken by the government with respect to the arbitration award with the LLBO and LCBO employees' association is that the arbitration section is no longer operable because of the execution of the AIB agreement with the federal government?

Secondly, would the Attorney General be of the opinion that the arbitration section is severable from the Crown Employees Collective Bargaining Act so that, although it obtains that the award is not final and binding, the deprivation of the right to strike is still part of the law of the Province of Ontario?

Thirdly, does he see a degree of inequity when he is dealing with statutory awards as opposed to collective agreements where the government deprives them of the right to compensation under the statute but still maintains that they have no right to an appropriate collective agreement?

Hon. Mr. McMurtry: Where there is any conflict between federal anti-inflation legislation and the Arbitration Act, the answer is

simply that the federal anti-inflation legislation is paramount during the term of the agreement between the province and the federal government. As the member for Sarnia knows, the matter of both the constitutionality of the federal legislation and the validity of the agreement will be determined by the special reference to the Supreme Court of Canada, which is scheduled for May 31. In relation to whether or not a section would be severable, I don't know that I really understand the thrust of the member for Sarnia's question in that respect. And, I am sorry, but I have forgotten what the third question was.

Mr. Bullbrook: May I just attempt, by way of supplementary, to clarify the matter? Am I correct in understanding that the government of Ontario is saying that no longer are awards pursuant to the Crown Employees Collective Bargaining Act final and binding because of the execution of the AIB agreement? And does the minister see a degree of inequity as far as the Crown employees of Ontario are concerned in the concept that awards are no longer final and binding, but they are still subject to the obviating influence that they can't collectively bargain, nor can they strike? Does he see a degree of inequity there?

Hon. Mr. McMurtry: Again, Mr. Speaker, where there is a conflict, I repeat my answer that the federal legislation is paramount during the term of the agreement; and I am not prepared to state that there is—

Mr. Bullbrook: On a point of order—

Hon. Mr. McMurtry: —any more—

Mr. Bullbrook: On a point of order—

Mr. Speaker: Order, please.

Mr. Bullbrook: There is no order in this House that requires a minister to answer a question. He can stand in his place and say: "I don't know the answer. I refuse to answer."

Mr. Speaker: Order.

Mr. Bullbrook: Please, Mr. Speaker, stop this business of not answering the question, but obfuscating the question time after time.

Mr. Speaker: Order, please. The hon. minister may answer as he or she sees fit.

Mr. Bullbrook: On a point of order—

Mr. Speaker: Order, please.

Mr. Bullbrook: —if he answers the question surely—

Mr. MacDonald: If he answers questions as he sees fit, in violation of the rules, then we can ask questions as we see fit, in violation of the rules. The rule applies to the whole of the old jurisdiction, and if he is not answering the question, he should be put in his seat.

Mr. Bullbrook: Right!

Mr. Speaker: It's very difficult for the Speaker—

Mr. Bullbrook: I agree it is.

Mr. Speaker: —to know whether a minister is answering a question directly or not, but it may be part of an answer. I have no way of knowing that. The oral question period has expired.

Petitions.

Presenting reports.

Mr. Bullbrook: He doesn't know the answer.

Hon. W. Newman tabled the annual reports of the Co-operative Loans Board, the Ontario Stock Yards Board and the Ontario Food Terminal Board.

Mr. Speaker: Motions.

Introduction of bills.

Orders of the day.

Clerk of the House: The second order, consideration of Ontario's proposal for an alternative method of pricing domestic crude oil.

DOMESTIC CRUDE OIL PRICING

Mr. Speaker: Yes, the hon. member for York South is leading off.

Mr. MacDonald: Mr. Speaker, this country has no coherent or effective energy policy. I am glad to have the Minister of Energy (Mr. Timbrell) applaud that, because I just want to draw attention to the fact that he, perhaps more than anyone else, has lamented that.

The real, underlying message of my comments today is that if you are going to get an effective energy policy, Mr. Speaker, you must have control of the basics and the shaping of that policy in the public sector.

If you leave it to the private sector, Mr. Speaker, the government here in Queen's Park, and they there in Ottawa, are going to continue to have an ineffective, incoherent energy policy.

We have not had the basic information. What has happened in the last six or eight years in this nation is that the oil companies have been able to use self-serving statistics to suit their own particular purposes at any given time. And the government, having no alternative to those self-serving statistics, went along with it. Therefore, at the end of the 1960s the oil companies were arguing that we had a great surplus of oil, and we should have permission to export more of it. And the Energy Board okayed it, because nobody was in a position to correct the figures. Some time later they discovered that they had a shortage, and so they argued that if we were going to be able to do something—
[3:00]

Mr. Speaker: Order, please. Will the members keep their private conversations down?

Mr. MacDonald: —if we were going to do something about removing that shortage, we would have to go to the frontiers to explore and that would require increasing prices and the government went along with that.

In short, my basic point—and I'm going to make it briefly because there are time constraints on this debate—is that to the extent that we have had a policy—and I would agree that it's been incoherent and I would agree that it's been ineffective—it has been a policy dictated by the oil companies, the multinational corporations, who are in the control of the energy resources of this nation for the most part.

The provincial government has lamented this. On occasion it has given its lament a facade of talking tough to the oil companies. Both this Minister of Energy and his predecessor, the provincial Treasurer (Mr. McKeough), on occasion would get up and say rather tough things and it looked as though finally, in implementation of a public policy, they were going to call the oil companies in and talk turkey to them. But I have seen nothing to suggest that it wasn't a verbal facade; that this government, like the government in Ottawa, has been willing to shape its policies or have its policies shaped primarily by the oil companies and the gas companies, those who control our energy resources.

We have a recent example of this. It was pointed out a week or so ago that in this country we were going to move from \$8 a barrel to the world price of some \$12.60, an increase of \$4.60 a barrel. Mr. Speaker, you may be interested to know that if you take the number of gallons in a barrel, it translates into an increase in gasoline prices of 14.3

cents, which will net the oil companies a new revenue of \$643.5 million.

The fact of the matter is that the oil companies said they would need 18 cents. The Liberals in Ottawa parroted it and the Tories at Queen's Park have said nothing about it. In short, here we have the oil companies once again saying that this proposed increase is going to take the price up 18 cents and only 14.3 cents of that is required to meet the increase in the price of crude oil. The other 3.7 cents is going to be extra. Extra for what?

Our research department, which is normally very reliable—more reliable than the government's research department, if I can say so with as little offence as possible—I would have assumed that the increase of \$4.60 and the 14.3 cents to meet it would have covered exploration costs. But we don't know whether the money the oil companies need is covered in that figure or whether it is going to be covered in the extra 3.7 cents to bring it to a total of 18 cents.

In short, we don't know, once again, what is going to happen to this incredible amount of new revenue extracted from the consumers, extracted from the economy, of hundreds of millions of dollars. I don't know exactly; the Minister of Energy doesn't know; Ottawa doesn't know. I'm persuaded that Ottawa doesn't care because it is having its policies shaped. What I'd like to try to find out this afternoon is if the minister really disagrees with public policy being shaped by the oil companies, the energy companies, who control our resources.

Let me move on to the next problem; the problem of the necessary revenue to do exploration. The federal government is contending that we've got to move to international prices because only through moving to international prices are we going to be able to provide the financial wherewithal to dig out, to explore and to find these new resources. The provincial government has said essentially the same thing. This minister has said essentially the same thing.

He has camouflaged it by saying that the oil companies need more revenue—let the minister listen to me before he puts down a false note because he will be responding to the false note. The minister has said that the oil companies need more revenue and if governments weren't taking so much of the increases recently, the oil companies would have enough money for exploration.

I'm back at the same point, Mr. Speaker. We don't know what the oil companies think

they need for exploration and they are playing the game so that we don't know whether it comes out of this source of revenue or that source of revenue. I submit that the minister doesn't know, because what he is doing is, in effect, playing the multi-national corporate game of saying that they must have more revenue otherwise they won't be able to explore and, therefore, they won't maintain an assurance of supply in the future.

The next point that I want to make for the very serious consideration of the minister is this, that there is no assurance that price incentive is the source of providing an assurance of having exploration money. There is plenty of evidence, in hearings that have been held across this country, of the oil companies sort of fudging the picture when they were queried as to exactly how much of a price was required for exploration purposes. They would never give any specific replies and, therefore, we could never find out exactly. In fact, let me give a specific quote.

Before the Energy Board in 1974, the Nova Scotia Public Utilities Commission, which has been wrestling with the oil companies and manifesting a bit more intestinal fortitude in challenging them for their excessive increases in prices, and having their constitutional rights to do that reaffirmed by the courts, pointed out:

The board counsel—[that is, the board counsel of the National Energy Board]—sought opinion from witnesses as to the price of crude oil that would provide the necessary incentive adequate for exploration and development. Most witnesses preferred to answer in general terms, stating that the free play of the international market prices would call forth the exploration appropriate to the time and economic conditions.

That is just a generality, a sort of a smoke-screen to permit the oil companies to continue to operate as they so please, seeking higher prices with no assurance that an appropriate percentage of that higher price is going to be used for exploration, which Ottawa says is vital and which this government says is vital.

Mr. S. Smith: What do you say?

Mr. MacDonald: Of course, it is vital.

Mr. S. Smith: Are you agreeing with them, Donald?

Mr. MacDonald: But the question is, who is going to get the money and who is going to use it?

Mr. S. Smith: I agree with that.

Mr. MacDonald: We will come to that in one moment and I trust you will still agree

with me when we get to that. On page 134 of the federal government's recent energy document, "An Energy Strategy for Canada," there is a quotation which sets down its position on this:

A new reporting system will be introduced and should it become necessary, the government of Canada will take action to ensure that an appropriate share of the industry's cash flow is used for exploration and development.

"An appropriate share." Again, vagaries. Nobody knows exactly what the share will be and nobody has attempted to define and to fix it as an obligation and as a responsibility.

Again, when we get on, we find that the provincial government is taking essentially the same position, because in that same document the federal government states: "It is the federal government's objective to see domestic oil prices increased to a level sufficient to bring on new supplies." If I may paraphrase, sufficient to do the exploration that is required.

The first principle of Ontario's pricing policy has been enunciated by this minister as: "Existing indigenous production must be maintained and future production developed." But neither the federal document nor the provincial document offers any indication as to the price level that is necessary to achieve this. There has been no effort to sort of break down the price and say, X amount is required for the basic crude, X amount is required for exploration, X amount is required as an appropriate amount to go back to the provinces which own these resources and which are entitled to some return, or to the federal government, and X amount is a legitimate amount of the profits of the company. It's all in one big ball of wax, so to speak, and nobody has sought to define it.

Having said all that, I now want to get to the main issue that presumably is the point of our debate today; that is, this minister's pet theme, the proposal for a blended price. It is possible that the proposition of a blended price might have been a useful suggestion three or four years ago. Today, I want to suggest to the minister, it's outdated. In fact, it's almost a little silly because, among other things, it avoids the major issue: What is the price for the new oil that will give us adequate money for exploration and development work? And how do you ensure that the work is done, while allowing the public return on the resource to those provinces and to the federal government to the extent that they are entitled?

If we could roll back the clock to 1972, it might have made sense to blend prices. Most

of the oil we consumed at that time—and let me remind you of this, Mr. Speaker; it's almost unbelievable in this day—most of the oil in 1972 was being produced profitably at \$2.75 a barrel. New oil could have been imported at that time and we could have come up with an appropriate blended price. But there's no logic whatsoever in a proposal that blends old oil prices at \$8 a barrel when that price has no relationship at all to the cost of production and one that attempts to blend them with new oil prices in some sort of a systematic approach to production costs.

We don't know what the production costs are in the instance of the new oil. We know it's a monopoly price, dictated by the international cartel. We do know, as far as the prices in Canada are concerned, that the cost four years ago was no more than \$2.75 and provided a good profit to the companies. What's happening to all of that margin in between? We know some of it is going to the producing provinces. We know some of it is going to the federal government. But more of it is going now to the companies providing them with the wherewithal for exploration—and they are not doing adequate exploration. What assurance does the government have, by any further increase in price, that they're going to do further exploration.

In other words, the basic problem with both approaches—the approach of the federal government and the approach of this government in its blended price—is that the kind of information that is required for intelligent policy-making, the kind of perspective that is needed in the role of energy in the economy as a whole, and the kind of control that is needed to implement the policy, demands a much greater direct public role in energy planning, in decision-making and in implementing than either the Tories here in Queen's Park or the Liberals in Ottawa are willing to tolerate. Therefore, in their own ways—different ways, admittedly—they are still permitting the energy policy of this nation to be dictated by the multinational corporations.

Mr. Martel: What stake has the Premier got in it?

Mr. MacDonald: In short—let me say this to the minister as kindly as I can—all his efforts to promote blended pricing won't be accepted by the federal government. It's not acceptable to the producing provinces, including this government's friends in Alberta.

Hon. Mr. Davis: Nor to yours.

Mr. MacDonald: It's this government's friends in Alberta who produce 85 per cent of it, so let's not confuse the issue.

Interjections.

Mr. Peterson: We don't have any friends there; we are lucky.

Mr. Foulds: You don't have friends anywhere.

Mr. MacDonald: What the minister is engaged in is a futile exercise. He knows it's not acceptable to the federal government. He knows it's not acceptable to the producing provinces. It certainly isn't acceptable to the consumers. What is he engaged in the exercise for? Dare I suggest a little bit of grandstanding to give the image of activity in relationship to a serious problem when the minister knows it's not acceptable?

Hon. Mr. Timbrell: What would you do—just buy it right across the board?

Mr. MacDonald: I'm glad the minister raised that, because I'll suggest to him what should be done.

Mr. Martel: And we hope that the minister will learn.

Mr. MacDonald: At the very least, part of the industry has got to be brought into public ownership, because only in that way are we going to have some foot in the door and some capacity to find out what the facts are so that we can shape policy.

[3:15]

In other words, only in that way can the minister get himself out of the embarrassing situation of accepting the self-serving figures of the industry upon which he goes on to shape so-called public policy. The minister has to gain information to costs and reserves to act as a benchmark for the industry, to implement exploration and development programmes.

In addition, Mr. Speaker, there must be a national pricing policy that deals explicitly—and I underline explicitly—to see appropriate returns to the provinces and to the federal government for the sale of crude oil and with the cash required for exploration and development. We just don't go along with handing over great amounts of money—the \$8 now, or the \$12.60 that we're moving towards—and let the oil companies play behind the scenes through their boards down in New York in accordance with their international interests—not our interests here in Canada. That's

what the government is walking into at the present time, Mr. Speaker.

I say this must be done explicitly. By explicitly, I mean that the price should contain a specific provincial and federal return agreed to by the parties concerned; a specific amount reserved for exploration and development, and a specific amount allocated for actual production costs. Then we'll know exactly where we are. We won't be engaged in this sort of cat and mouse game of trying to find out who has the money and where it's going and whether they're going to use it for the admittedly important need of continued exploration.

How could the funds for exploration and development be reserved for the purpose that we want them? I suggest to you, Mr. Speaker, that it could be done by the federal government collecting the exploration and development funds and disposing of them only by way of compensation for proven activity. The funds could be used to finance development at a pace and in those geographic areas dictated by public need, and could be directed towards public rather than towards private ventures.

This proposition that the government has to move something into the private sector with a public capacity is not a new one. It was one that was introduced in Ottawa, and is part of the whole effort to shape a new policy. Indeed, the federal government even moved a week or so ago—or was it a month ago?—and suggested that they were going to bring one oil company under public ownership. Interestingly enough, they picked on Atlantic-Richfield, which is not really an integrated company and, therefore, won't give them an effective entry into the field so that they can get all of the information. Atlantic-Richfield isn't active all across this country. In short, they're picking on an ineffective means of achieving what they themselves have conceded is a desirable goal.

Just let me summarize this, Mr. Speaker. We have got to have greater control of this industry if you're going to be able to shape public policy. The New Democratic Party's position is we are opposed to the \$2 a barrel increase on the grounds that it represents rationing by the pocketbook and it's ineffective and inequitable; and it simply increases the price, but it won't generate the exploration and development which is needed. It won't give any assurance to us what will be done.

Also, any price increase that is agreed to should go, in its entirety, into the exploration and development funds to be used by

Petro-Canada. They could do, or contract out future exploration and development work on land not now under lease.

Existing leases should be cancelled, expropriated or renegotiated to put exploration and development under public ownership and control, so that we will know what is happening. That's the kind of thing that even the Energy Minister's colleague in the cabinet, the Treasurer, suggested with regard to the gas pipeline—that exploration for gas was something that is necessary. And some of the minister's other colleagues who are very active at the federal level have conceded it is necessary if we are going to have control of the industry. We must have greater public presence in the actual exploration, the actual development and the actual ownership and control, otherwise we will continue to be victimized and have this government's policies shaped by the multi-national corporations.

It involves, in our firm submission, not something like Atlantic-Richfield being nationalized and giving government the weapon it needs, but a company like Imperial Oil—an integrated company operating across this country which can be found in the industry all the way from exploration right through the whole process to the actual retailing. If that is done, the government will be pushing the federal government to something which is an effective policy. I suggest that that must be done if the minister is going to do something other than just grandstanding and talking about a blended price which is not going to be accepted and, even if it were accepted, doesn't meet the basic problems.

Mr. Peterson: Mr. Speaker, I'd like to thank the Premier (Mr. Davis) for organizing this debate today.

Interjection.

Mr. Peterson: I'm not like a lot of people who suspect his motives on this particular and, I gather, unique opportunity that we all have to express our ideas prior to the meeting this Thursday. I personally have a great deal of respect for the Premier for initiating this move. I think it'll be helpful in the future and I trust he will take, verbatim, all our comments to Ottawa and discuss them there.

Mr. Samis: Verbatim?

Mr. Peterson: We're trusting that he will.

Interjection.

Mr. Peterson: May I say that I don't believe this is really a talk about oil pricing.

I think we're into far more critical and much broader issues in this particular discussion, and I know that my friend from York South (Mr. MacDonald) discussed some of these. I must say I am in sympathy with some of his views but certainly not all of them.

Mr. Martel: I wonder which ones.

Mr. Peterson: If you guys would just be quiet for a while and listen, you'll learn a lot.

Interjections.

Mr. Peterson: I think that this conversation and this discussion today is about the entire matter of energy policy which I find sadly lacking, not only in this province but in the country as a whole.

Mr. Samis: The federal level.

Mr. Peterson: I think we have some positive and constructive suggestions to make to the Premier and to the minister on this particular issue.

Let us not forget, too, that it's not a discussion just about pricing and where the pricing should be. It's a discussion about taxes, government involvement, where that money goes and who pays it. Let us look at the history in the last little while. Even at \$3.80 for oil the companies were getting \$1.49; at \$8 they're getting \$1.70 and various other wrinkles depending on the amount of exploration. The point is that the fundamental abuse and the fundamental problem, in my opinion, has been a lack of government leadership in this particular area.

Mr. Samis: Your friends, the feds.

Mr. Duksza: At the federal level.

Mr. Peterson: I think, in addition, there's a substantial lack of credibility both in the industry and in the government. I know of no other business and no other industry which has given the public worse information over the years. If we examine all the public pronouncements on our reserves and pricing and our position, I think members will find no industry—or no subject has been more poorly treated in terms of accurate information than this very critical one.

Mr. Martel: Deliberately.

Mr. MacDonald: We're in agreement so far.

Mr. Peterson: Good, I hope I'm not being redundant here, so I'll try to think of something more to say.

I'm very concerned about the industry and as fundamental as anything else in this province is the view the man on the street has of this particular problem. I have discussed this problem with many people in all walks of life and I think it's fair to say that there's unanimity that governments in this particular area have no credibility and the industry has no credibility.

I don't think we should fall for that old saw that the companies need more money just to explore, without some mechanism of monitoring to make sure that they do do the exploration. I use, for example, Hudson's Bay Oil and Mobil. From 1972 to 1974, combined revenue increased from \$322 million to \$604 million, an increase of 87 per cent. The after-tax earnings increased from \$69 million to \$144 million, an average of 79 per cent. Exploration on a combined basis went from \$39 million to \$38 million, down two per cent, but as a percentage of revenue went from 12 per cent to 6.4 per cent.

We get all these old saws that they need more exploration and need more investment yet I don't see it forthcoming. Although there's talk that exploration was up this particular year I think the figures say it was down last year over 1974 and it was down 1974 over 1973. That concerns me.

The government's record in this particular area has been equally poor. We just have to look at and compare the "Energy Policy for Canada" published in 1973 with the energy strategy published in 1976. We find that even in their wildest dreams, in \$6 oil in those days, they projected a surplus too and lots of supply into the year 2000.

The reserve position has been netted out to about 40 per cent of the reserve position held three to four years ago. To me, you can't expect the public to have faith in us as politicians and in companies of this magnitude with that kind of poor information. I think it is time we recognized the vicissitudes and the difficulties; and recognized, I think in fairness, that this isn't completely a function of bad faith. I think it is the function of poor organization and lack of co-ordination and lack of very serious commitment to a problem that we, in the Liberal Party in the Province of Ontario, see as perhaps the most fundamental issue facing people of Ontario and people of Canada in the next 10, 20, 30, 40 and 50 years.

We would be irresponsible if we stood up here and articulated a policy for the next six months. I think it is time that politicians had some kind of perspective and long-term vision on this particular policy.

The kinds of things that are important to us as Liberals are these, and I would like to say this to the Premier and to the minister: I think it is very important that they, as the government of this province, attempt to restore some of the credibility between business and government and the people of this province. I think we should have a policy aimed toward that; and granted it will be difficult.

I think we have an obligation to inform the public of this province of the real problems; of the real problems and not just imagined problems. We are going to have to discuss reserve positions and profits, and refinery profits, and we are going to have to give the people of this province and this country the complete information. I think that's the least obligation we have. I think the Premier is in a position to do something about that very quickly and I hope he will take these remarks to those people in Ottawa with whom we will be dealing at his private luncheon on Thursday.

I must tell the Premier, I do commend his stand on insisting on open meetings. I think he has a responsibility and I respect the view he took to make this a public, open discussion; this is not the kind of discussion that should be behind closed doors, in our position.

Let me say this before I discuss our specific suggestions. We believe very strongly that Ontario has an obligation to take a lead in national unity, and one of the very important aspects of that, in our particular view, is a national oil price and subsidized and equalized payments. I hope the Premier will always take that view of a strong Ontario, a strong Canada. I think he will be well respected by the people of this province for that kind of large, Canadian view.

Let me say that I think one of the problems, as I see it, in the government's proposal, is that it has not addressed its mind seriously enough to the problem of supply. I think I agree with most observers that this blended price proposal is at best a superficial one in the circumstances. Although the government pays lip service to making its No. 1 priority security of supply, I see no positive contributions to that particular proposition. I think it is something that we, as Liberals, are very concerned about in this province; concerned about, as I have said, in the next 10, 20, 30 and 40 years. We think that has to be a very high priority.

The government's position of maintaining the competitive position of Canada and of Ontario in the world market is an admirable

one, but I think it has to adjust to the realities of a situation. I don't think one waits until the last drop of oil spills to adjust to those new realities.

You know, Mr. Speaker, the facts are that several countries in this world are paying 50 per cent more than Canada for energy at this particular point in time. The average price to the US, contrary to the minister's figures, is on the average 20 per cent more than in Canada; it is around \$9.50 a barrel, and not the \$7.76 which is the domestic price. I recommend to the minister that he checks his figures out.

We sympathize very much for the position of losing jobs in Ontario. We don't want to do that, but we think the government has to face the inevitability of the price increasing as slowly as possible, measured as well in economic terms, as possibly can be done.

An hon. member: Here's the federal pitch.

Mr. Peterson: We don't like it. Let me say this to you all: We don't want increased prices but we are not like these people to the right of us who want to be insulated from the realities forever and forever. We are going to have to learn to be competitive in the world situation. We have to face up to the facts of life, we can't perpetually insulate ourselves.

We are spending billions of dollars to equalize; we have a net deficit from importing oil of these phenomenal billions of dollars. [3:30]

Interjections.

Mr. Peterson: We are going to have to address ourselves to some of the realities. You can't insulate, you can't subsidize and you can't regulate forever against these economic realities. We are in a position where we either have to adapt or to die. The question is when that is going to be and how it's staged and how it is organized.

What depresses me the most is that I have seen the government of this province make absolutely no allowance for the new economic realities that came into place in 1973 when the international price of crude oil started to go up. Those are realities. We must face them and we must deal with them. It is going to require a very substantial change in the way we run the business in this province and the way we live in this province, in that we are an energy-intensive and an energy-poor province. We have to face up now to those realities and start adjusting for the day when we don't have any more. Those are the

realities. Just check the figures about how much we've got in this province.

Mr. Martel: Are we an energy-poor country?

Mr. Peterson: Just check the figures. I think with the member's party in power we would be a hell of a lot poorer than we are now.

Mr. Martel: We wouldn't give any more away than your friends in Ottawa.

Hon. Mr. Davis: We will make sure they don't get into power, so we can take that part out of their control.

Mr. Peterson: I will give this assurance, if it is not you, it will be us.

Mr. Roy: It is beyond even your control.

Hon. Mr. Davis: We are going to work at it though.

Mr. Peterson: Even the C. D. Howe Institute, an independent, respected authority, in its wisdom sees that there is some very wrenching adjustments with this whole problem of oil pricing and if we don't start to move on a phased, intelligent basis into world pricing.

I just want to deal with a few of the other suggestions of the minister's report when he was assessing the effect on consumers. We share that feeling that we don't want to see the consumers of this country pay any more than they have to in this province. But let's realize this, as the price moves up, there is going to be some room to move with the excise tax. In other words, the same amount will not be required for equalization. One of the things this government should fight for very hard is, if the price goes up, that the excise tax comes off to the same extent so that it ameliorates to some extent the retail pump price of gasoline.

I am concerned about this government's pricing proposition of old oil, new oil and imported oil. I think that the problems of sorting out what it is, where it belongs and what the costs are by a big pool as opposed to a small pool or close to a distribution system or far away or not far away don't matter. It really doesn't matter whether it's old oil or new oil or old dollars or new dollars. What really matters is that we have a supply at a reasonable cost and that we can adjust our system to the realities as they are.

Mr. MacDonald: What does that mean?

Mr. Peterson: Hang on.

Mr. MacDonald: I am listening to see how you are going to increase the amount of exploration. We are agreed on that but I want to see how you are going to do that.

Mr. Peterson: The minister's concern with the financial position of the producing provinces is perhaps legitimate in that they are friends of those people over there, but we are in the very fortunate position that none of them are friends of ours. And we don't have to look after our people out there.

Interjections.

Mr. Peterson: We think that those governments are getting a big enough share of the oil dollar and the oil pact.

Interjections.

Mr. Peterson: They are getting money to-day heretofore un contemplated. With a \$2 price increase in oil, Alberta would get another \$400 million. We don't feel that is necessary. We don't feel that is necessary in their coffers. We think there are lots of better places for that money.

Let me tell you, Mr. Speaker, Alberta is not a member of OPEC yet. We are recommending that all increases in the price of crude oil go to a co-ordinating federal-provincial agency to make sure that they don't go into oil company profits, and to make sure that they go for a carefully planned, well-orchestrated government industry initiative to meet—

Mr. Martel: The member for York South just said that for you.

Mr. Peterson: —exploration and research into new forms of energy.

Mr. MacDonald: Forgive me, while I catch my breath.

Mr. S. Smith: That's not nationalizing the companies. Take it easy. It's not nationalization.

Mr. Peterson: We do not see this as an isolated problem restricted only to crude oil pricing, but we say it must be discussed and must be worked on in the context of many forms of energy. We recognize a reality that our funny friends to the right do not recognize, that eventually the prices will have to go up to some extent.

Mr. Samis: That's not what you said five minutes ago.

Mr. Peterson: We are concerned, as I said before, that this money goes to finance re-

search and exploration. We are concerned about having a reporting system from the oil companies so that the people of this province and this country understand what all the money is being used for, where it is going and at what particular time.

We are going to need a massive planning effort for all of the energy sources in this province and this country, and we would charge this agency to do that planning effort, taking into account all forms of energy and, at the same time, this multi-faceted energy policy. Believe me, there is no one thing which is going to solve the very serious problems facing us at this time. We are going to have to launch on many phases, many times.

We are going to have to tuck into a massive conservation programme toward which this province has been absolutely and abjectly irresponsible. Every single programme we have now is geared toward more and more consumption and nothing toward conservation. I would say to the government of this province that it is going to have to have one very quickly and very soon. We are going to have to introduce rate structures for the pricing of our energy products so that the more one uses, the more one pays and not vice versa. We are going to have to punish the over-abusers of our system and that's going to come very quickly, Mr. Speaker.

Mr. S. Smith: What have you done about this—the big cars, the swimming pools, the Hydro rates?

Mr. Peterson: I recommend this to the minister. It has been under study for years and years but nothing has happened. We have been talking like this for a long time.

We are going to need a massive national programme to substitute plentiful for scarce resources. I am saying that we need the transportation systems and the delivery systems for our massive coal deposits. It appears from the numbers—and I am not suggesting they are absolutely correct because so many of the numbers we have been handed today are incorrect—that our reserve position is far greater in that particular energy source. We are going to have to explore—and this agency can explore—on a joint venture or partnership basis with the people who have the expertise today. It doesn't offend us whatsoever that private enterprise is involved in that exploration.

We are going to have to develop a priority because there is a limited amount of capital available for the entirely capital-intensive kind of work which is going to have to go on. It

is estimated that we will need \$100 billion in the next 10 years in this country to develop in all areas of energy. We are going to need somebody to co-ordinate that and apportion that and distribute it ratably on the basis of priorities.

We are going to have to spend a great deal on delivery systems for coal and oil and natural gas. We are going to have to spend a great deal for synthetic oils and for coal gasification in the oil sands. We are going to have to get that money from somewhere and I would suggest that the excess profit which comes from any increase can go to that kind of a national energy policy, co-ordinated with our provincial government here in the Province of Ontario and with its complete support. Then we can have the kind of national programme we need.

Let me just say one thing. There is no one who is an expert on the energy business in Canada and, indeed, the world today who doesn't recognize that ultimately our solution is renewable resources. I would say to the Premier, the Minister of Energy and the Minister of Industry and Tourism (Mr. Bennett), why should we let these technologies and this research and development get out of our hands? Why don't we start that kind of initiative which we need so badly to develop the industrialization and to keep the jobs in this Province of Ontario? I would say it's going to be a few years before it does come on stream but let's start doing it now so that we have something unique and valuable to us alone because that is our only solution to the human dilemma. There is no question about that.

I would say that where I think the government has been so terribly irresponsible is it has been looking at old solutions and hasn't adjusted to the new realities of the reserve position and the pricing position as we currently know them. I recommend to the government that it takes some of these suggestions to those people in Ottawa whom we used to know—prior to two weekends ago—and suggest to them that those kind of solutions are what we need for this very serious dilemma today.

Hon. Mr. Timbrell: Mr. Speaker, I intend to make today a comprehensive statement on oil and natural gas pricing within the context of this province and the country. I will not attempt to comment beyond this because it is a broad enough subject as it is and time does not permit. I will, at the conclusion of my previously prepared remarks perhaps have a few comments to make on some of the things said by the members for York South

(Mr. MacDonald) and for London Centre (Mr. Peterson).

I want to say that I'm particularly pleased that this debate is taking place at this time, only three days before we meet in Ottawa. The involvement of all parties is I think, a very desirable thing, so that the people of the province may know where each of the parties stands. I must say I had hoped that in the interests of the people of Ontario it would be possible to have the three parties united, that we could go to Ottawa with this House united—

Mr. Martel: Come on over, Dennis.

Hon. Mr. Timbrell: —to try to bring about some equity for the people of Ontario.

Mr. S. Smith: Change your mind and we will be united.

An hon. member: Accept our policy.

Hon. Mr. Timbrell: I'm sure, Mr. Speaker, all members are well aware that this province imports 80 per cent of its energy. We have, unfortunately, modest indigenous supplies of lignite, some crude oil, very little natural gas, very modest amounts, in fact. Unfortunately our primary sources—

Mr. Martel: What about uranium?

Hon. Mr. Timbrell: —exist only in the forms of hydraulic power and uranium.

Of the primary energy that is consumed in Ontario, approximately 32 per cent is used in the form of electricity, some of which, of course, is generated from the burning of fossil fuels. The remaining 68 per cent is fossil fuels; 64 per cent is crude oil and natural gas and the remaining four per cent is coal which is used by consumers other than Ontario Hydro and that's mainly the steel industry.

The crude oil and natural gas that we use comes from the western provinces except for that part of our province which lies east of the so-called Ottawa Valley line for which oil is supplied from off-shore through OPEC. As the Minister of Energy I have to be concerned with the entire spectrum of energy sources, the supply, demand and cost inter-relationship which exists between them, and the effect of these interrelationships on the overall economy of our province.

I cannot ignore these factors, as the federal government seems to want to do. To pursue a higher price for one form of energy while at the same time refusing to take note of the broader consequences of such a move is not only folly but basically irresponsible. There

is a very real danger that excessive concentration on rapid price increases for crude oil and natural gas will, for example, create demand problems for Ontario Hydro which will be far beyond those which they can meet.

There is no short-term prospect of our relative reliance on crude oil and natural gas altering significantly. In fact, I would have to say that it is our expectation that we will still be dependent on these two energy sources for some two-thirds of the energy which we consume a decade, probably two decades from now.

The hard fact is that there are no economically viable alternatives to crude oil and natural gas as major sources for this province. For example, as members of the select committee on Hydro's 1976 rates will be well aware, to alter the nuclear component of primary energy in Ontario from five per cent to, for example, 20 per cent, would, in the first instance, be a monumental task and in the second, would impose absolutely unendurable capital pressures.

I don't propose to discuss with the hon. members some of the alternative energy sources today, namely coal, uranium and hydraulic power. All of these sources obviously do have a relevance but the meeting this week on Thursday will be concerned with the pricing of crude oil and natural gas. It seems appropriate that those two sources should command the concerned attention of this Legislature.

The other sources are important. However, they are not an economically viable alternative that could displace crude oil and natural gas as energy sources.

Mr. S. Smith: They never will be, if you don't put any money into them.

Hon. Mr. Timbrell: We are concerned that unrealistic and in our view unnecessary price increases for crude oil and natural gas could place intolerable pressures on Ontario's electrical system, given the fact that individuals could begin to shift from other energy sources to electricity.

Everyone in Ontario has reason to be concerned about the security of supply and the degree of price stability for Canadian crude oil and natural gas and the impact these factors may have on the demand for electricity and its long-term costs.

Mr. Bullbrook: You're right! It's Canadian crude oil not Alberta crude oil.

Hon. Mr. Timbrell: We are dependent upon large supplies of crude oil and natural

gas for energy for this province and it is incapable that this will continue to be our situation for the predictable future. Therefore it is appropriate that members of the Legislature should be deeply concerned as to both Ontario and national policy planning with respect to energy sources.

[3:45]

The hon. members are well aware that the government of Ontario is of the view that the policies of the government of Canada have not been sensitive to the real needs of this nation nor of this province. That the policies have been inadequate and misdirected is not surprising, given the incredible ineptness of the inventorying of our national crude oil and national gas supplies.

In 1972 and 1973 our Premier advised this Legislature that he was concerned as to sources of energy supply, an advice which he had received from the advisory committee on energy, which had been chaired by the late Dr. John Deutsch. Dr. Deutsch's concerns had been strongly reiterated in the report prepared by my predecessor when he was the Premier's parliamentary assistant for energy.

In 1972, Dr. Deutsch advised that the need for long-range policy formulation and planning with respect to energy supply was, to quote him, "immediate." In the spring of 1973, the member for Chatham-Kent (Mr. McKeough) advised the Premier and the Premier advised this Legislature that, and I quote: "Canada, operating in the absence of a clearly articulated national energy policy, is not in a position to protect our domestic industry and users in terms of price, supply, or indeed, security of supply."

Subsequent to these Ontario expressions of urgent concern, the federal Department of Energy, Mines and Resources published a document entitled "An Energy Policy for Canada." On page 81 of that report, the federal government recorded its view, which was a total contradiction of Ontario's express and published view as of that date. Incredibly, EM and R's published view was that this country's resource base was such that we had, and let me quote: "A more than adequate supply to cover foreseeable requirements to the year 2000." They went on to add: "Moderate to large production surpluses could be available for export."

I emphasize again, Mr. Speaker, that we were already on record at that point in time before that report ever came out.

Mr. S. Smith: Not very loud.

Mr. Roy: You are getting great support from your caucus.

Hon. Mr. Timbrell: You aren't listening very well either. I'm not supposed to waste my time nor the time of this House, Mr. Speaker, in ravaging the already ravaged reputation of EM and R and the government of this country in the matter of energy policy. But the fact is that as late as three years ago the government of Canada was designing policy on the basis of inadequate research and inaccurate information has a vital relevance today.

The surpluses for exports which had been projected by the federal government in 1973 have become the reality of serious potential supply difficulties today. The policy has been reversed in important respects but has not been made more relevant to the needs of Canada and the imperatives of national economic and industrial planning.

The policy of our national leaders now is to track the international price of crude oil, which is apparently supported, Mr. Speaker, by the Liberal Party in Ontario, of Ontario, for Ontario or whatever. At present, crude oil from the international market is being laid down in Montreal at about \$13.30 a barrel. That compares to about \$8.80 a barrel for domestically-produced crude delivered in Toronto, with the difference being made up from the compensation fund which is a special fund set up by the federal government and fed from the export levy on crude oil that we export to the United States and the revenue from the 10-cents-per-gallon federal government excise tax on gasoline.

If I may, I would like to quote a paragraph from the recently-released document "An Energy Strategy for Canada" which is, apparently, the latest word from EM and R, the Department of Energy, Mines and Resources which, increasingly and unfortunately, is becoming known better as the Department of Errors, Mistakes and Repairs.

Mr. Peterson: Like your Ministry of Health.

Hon. Mr. Timbrell: Either way, EM and R say this:

It is the federal government's objective to see domestic oil prices increase to a level sufficient to bring on new Canadian supplies. To the degree that this level is lower than international oil prices it is a differential for the benefit of Canadian consumers and Canadian producers. Should it be the case that a price sufficient to bring on Canadian supplies were to exceed international prices, it would be necessary to make a further decision, as we did in 1961, as to whether it is in our best interests to continue to develop our own re-

sources or to import supplies from other countries.

The government of Canada hasn't set a target although they relate their price objective to the world price of about \$13.30 in Montreal. But one has to ask what will the policy be if the price moves to \$20 a barrel or goes to \$50 a barrel? And what if, as *The Economist* has predicted, the extravagant OPEC price calls out such a flood of supply that the world price actually falls back?

Presumably, in EM and R, the Error and Mistakes functions will be pre-empted by the activities of Repairs.

I might also add that this same report, "An Energy Strategy for Canada," visualizes the possibility that the immense resources of the Athabaska tar sands may not be developed in any substantial measure because of the per-barrel price that will be required to cover production costs. So the policy of tracking international prices includes as a component the possibility that it may not be able to use these immense resources, a potential which we are told may be equivalent to the entire resources of the Persian Gulf.

Mr. S. Smith: I wonder if it costs \$15 a barrel to take it out? Geez, what a genius. Where did you find this one?

Hon. Mr. Timbrell: Under the proposal that has been made by the government of Ontario, Canada's domestic price would not briskly surge to some undefined world level. It is highly probable that under the Ontario proposal, Canada, especially Alberta, would in fact gain the national benefit of the development of such costly resources as the tar sands. The Ontario proposal might result in the per-barrel price of oil from costly sources exceeding the world price but, because the old oil would be held to a lower price, the Canadian advantage could still be maintained.

Mr. S. Smith: There won't be any old oil in eight years' time. That is kindergarten stuff.

Hon. Mr. Timbrell: I'd like to go through the Ontario proposal in a little more detail. In designing the policy, we first outlined the real requirements of an energy policy that would, in our view, best serve this nation and we've stated relevant principles.

Mr. S. Smith: That's just pathetic.

Hon. Mr. Timbrell: It seemed to us that the principles must first relate to supply and price and so we postulated that the policy must contribute to the realization of an adequate and secure supply and must do it

at a price that from all perspectives was reasonable. The reasonableness of price obviously would be defined differently depending upon one's perspective, but it seemed to us that in the first instance it must not be unfair to the producing provinces.

Mr. S. Smith: Why not?

Hon. Mr. Timbrell: At the same time, it must not do violence to the ability of our export industries to compete, so must result in a reasonable relationship to crude oil prices in countries with which we compete, especially the United States. It must not ignore the interests of consumers, those for whom the whole system exists. It should permit citizens and industry to project with reasonable confidence the approximate levels of crude oil prices five years and 10 years into the future. Finally, it must not be such as to disrupt existing financial relationships among the provinces.

In other words, the national energy plan must be part of total national planning and must not be insulated from the well-being of consumers, the relationships of provinces, a national strategy with respect to industry, and the broadly-defined need of the nation.

Now, one thing is clear about the unfolding federal energy policy.

Mr. S. Smith: If I had a researcher who produced this document, I would fire him.

Hon. Mr. Timbrell: It is uncertain in everything with the sole exception—Sorry, are you saying that you would fire me?

Mr. S. Smith: You wouldn't have got past the office to get hired, but believe me if I had a researcher who produced this document I would fire him.

Mr. Speaker: Order, please. The hon. minister has the floor.

Hon. Mr. Timbrell: That's the best compliment I've had since I don't know when.

Mr. Speaker, everything that the feds are saying is uncertain with the sole exception of an unblinking and unthinking determination to arbitrarily increase the price of crude oil with the price of natural gas so locked to it that the natural gas price is automatically moved up every time the price of crude oil is itself escalated.

The essence of the Ontario proposal is that costs of producing crude oil vary widely, and that the lower-cost oil should be priced at a relatively lower level in order to permit the development of the higher-cost oil resources

without the Canadian price becoming intolerably high, measured against the essential principles that should influence price.

Mr. Peterson: When are you going to move it up?

Hon. Mr. Timbrell: The federal policy of automatically raising the price of crude oil a couple of dollars every year, we think should be altered to a policy that relates in a reasonable way the selling price of a barrel of oil to the cost of producing that barrel of oil.

Mr. Martel: That's something new!

Hon. Mr. Timbrell: The cost of crude oil from existing fields—old oil, if you will—has been long established and the present price of \$8 a barrel would seem, at this time, to be adequate to cover those historic costs. But in many cases such a price would not cover the cost of producing crude or synthetic oil from such sources as new fields, frontier sources, the oil sands and heavy oil and, of course, secondary and tertiary recovery from existing oil fields. For this "new" crude oil there would be a higher price that bore an appropriate relationship to the higher production costs.

I might pause and note that the price for new oil might, if costs so dictated, exceed the current international price of crude oil. This could mean that we might be able to expand production from the oil sense even if the cost dictated that we pay, for example, \$15 a barrel. But the essential element, if the principle of consumer protection is also to be honoured, is that we concurrently hold the price of old oil at, for example, \$8 in order that the subsequent blended price does not move to levels unacceptable when measured against the principles applied to pricing.

Mr. S. Smith: What old oil? By the time the tar sands come there won't be any old oil.

Hon. Mr. Timbrell: Oil, on the international market would, of course, continue to be bought at the prices charged by the producing countries. Whether that proved to be \$7 or \$17 or \$27 a barrel, it would have to be blended into the price that we, as Canadians, would have to pay.

The three prices would be blended. In other words, the volume of oil from each of these sources will be multiplied by the price for the oil from that one source and one price—a weighted average price—would result. This price would be reduced by the amount of revenue received by the federal

government from its export tax on crude oil shipped to the United States, and the 10 cents per gallon federal excise tax on gasoline.

This blended price would be the amount paid by the refineries and this would result in equalizing the price of crude oil other than for differences in transportation costs in all parts of Canada. That cost to the refineries, and so to the consumers, would be related to the cost of producing that crude oil.

This proposal would not avoid an increase in the price of energy and it is not necessarily designed to do so. What it would do is to relate that increased cost directly to the calling-out of new supplies of crude oil. The cost of finding and developing the new oil sources is higher and it is obvious that it should demand a price that compensates the producers.

Mr. S. Smith: Then what happens to those wonderful Ontario consumers you were worried about a few moments ago?

Hon. Mr. Davis: You haven't read it properly.

Hon. Mr. Timbrell: It is still our view, however, that there is little reason why the cost of producing one cupful should determine the price of the whole barrel of oil. The Ontario proposal would result in a gradual and predictable upward movement in the price of crude oil.

Mr. S. Smith: I am listening to it. Even if it is more expensive we will take it anyway, that's what he is saying.

Mr. Speaker: Order, please. The hon. minister is the only one who has the floor at the present time. Thank you.

Hon. Mr. Timbrell: The fact that it will be gradual and predictable are both benefits. In the current year, applying prices of \$8 for old oil, the existing price for international oil, and an appropriate incentive price for new oil, it is our view that the price would increase about 20 cents a barrel. Contrast that with the \$1.50 to \$2 a barrel that is generally assumed will be suggested at the first ministers' meeting by the federal government and several of the provinces including Saskatchewan and Alberta.

The Ontario proposal would retain the important principle of equality of price, other than transport charges that presently exist. It would automatically balance the federal compensation fund. It assures that the producing companies will be provided with an incentive to do a job that they can do better than any-

one else—produce crude oil and natural gas so that they would gain a return that bore an appropriate relationship to the higher costs of producing this new oil.

In addition to being fair to the producing provinces and producing companies, it would pass on to the consumers only those costs necessary to assure that the costs of producing the energy are covered, while providing an incentive to move in the direction of domestic self-sufficiency or, if you prefer, the new Ottawa buzz-word, "self-reliance".

This is in contrast to the procedure followed in recent years. The present arrangement of periodically and arbitrarily increasing the price and taking away most of the increase in the form of royalties and federal government taxes, causes economic disruption in the consuming regions and in spite of the high cost to consumers, the relationship of supply from domestic source and consumption is worsening and, if EM&R's "An Energy Strategy for Canada" is to be believed, that relationship is likely to worsen even further under this so-called federal policy.

I have discussed the proposal with other provincial governments, with the federal government, with a number of the oil-producing companies and with citizens' groups around the province.

Mr. S. Smith: And they have laughed.

Mr. Shore: How are you making out?

Mr. S. Smith: And when they stop laughing what do they say?

Hon. Mr. Timbrell: The major issue that has been raised, and certainly the one with the greatest merit, is the problem of cash flow for the producing companies. It is pointed out, with considerable validity, that holding the price of old oil at \$8 a barrel would limit cash flow to the point where it would be difficult for the companies to accumulate the capital that would enable them to develop the new sources of oil.

There is virtue in this argument, but there is an answer. The answer, we feel, is that governments—particularly the federal government—should not extract so much of the cash flow from current royalties and corporation taxes.

Hon. Mr. Davis: It is so simple, it must be—

Mr. S. Smith: That's right, Alberta should keep extracting; your friends in Alberta need a national heritage.

Hon. Mr. Timbrell: Some also expressed the concerns that relating the cost of producing the oil and the price received would convert producers into government-controlled public utilities.

Mr. R. S. Smith: You are saying, "Give it to Alberta and not to the federal government."

[4:00]

Hon. Mr. Timbrell: That is not the intent of our proposal and it need not be the effect. Industry spokesmen have commented, probably with a good deal of justification, that the federal government and the producing provinces will be very unlikely to accept this proposal.

I don't challenge that conclusion. However, if that proves to be the case—and it may—the onus is on the federal government to come forward with a further alternative which honours those principles of energy pricing which clearly should determine the procedures to be followed.

It has also been suggested that the Ontario proposal would be difficult to administer. I don't accept that the problems of the administration of our system would be any more involved or any more cumbersome than for the present policy. If this system best serves the public, I think it is wrong to suggest that we can't do it.

Certainly we are not saying that the Ontario proposal is necessarily the only alternative. We are saying it will accomplish important and essential national purposes which will not be accomplished by the proposed federal policy of simply escalating price. There may be another policy option which would serve this nation better than the one we are advocating. If so, we would be pleased to adopt it as our own.

I would like also to take this opportunity to discuss natural gas supply and pricing with the hon. members. Attention has been focused on the price of crude oil in much of the discussion which has taken place with respect to Ontario's preparations and proposals for this upcoming meeting. At that meeting, the federal government and the governments of the producing provinces will concurrently seek an increase in the price of natural gas.

I propose to review the mechanisms which have been put in place to deal with the pricing of gas. I propose to discuss the effect of current price levels in our marketplaces and their effect on exploration and development. I will also discuss the role of TransCanada Pipe Lines, a matter of concern to the Prov-

ince of Alberta and, of course, for different reasons and goals, though, to Ontario.

A decision of considerable importance relative to the pricing of natural gas was implemented on Nov. 1, 1975. On that date the federal government, acting under the authority of the Petroleum Administration Act, fixed the citygate price for high-load-factor supplies of natural gas in southern Ontario at \$1.25 per million Btu. For the information of the members, Mr. Speaker, 1,000 cu ft of natural gas do contain one million Btu. The National Energy Board, at the same time, approved a price of 72 cents per mcf payable at the wellhead to producers in Alberta for gas sold beyond the borders of that province. The 72-cent wellhead price results when transportation costs are deducted from the southern Ontario citygate price of \$1.25.

It should be recalled, I think, that at the first ministers' conference last year and in this Legislature, the Premier urged the early enactment by the federal Parliament of the Petroleum Administration Act in order that that government would then be able to fix the price of natural gas moving in interprovincial trade. Had Parliament failed to respond to this urging by my leader, consumers in Ontario would have been faced with the imposition of natural gas prices of \$1.15 per mcf at the wellhead in Alberta—a substantially higher price than the 72 cents per mcf or per million Btu approved by the NEB.

The figure of \$1.15 at the wellhead was determined by arbitrators working in accordance with the Alberta Arbitrations Act. Holding the price of 72 cents we think was a considerable achievement but it is worth noting that even this price is a very substantial increase over the average wellhead price of approximately 45 cents which had prevailed in 1975.

The increase is very dramatic indeed if we compare it with the average field price for natural gas produced in Alberta in 1972; in that year the average field price was 10 cents per million Btu. In short, the increases in natural gas prices imposed on Ontario consumers by the federal government have not only been rapid, they have also been massive.

In addition, these figures do not fully state the benefits gained by the producing provinces as a consequence of these federal policies.

It was also on Nov. 1, 1975, that the federal government fixed the border price of natural gas being exported from Canada at \$1.60 per million Btu. Unlike the tax on the exports of oil which is paid, as I mentioned earlier, into the oil compensation fund, the

difference between the cost of natural gas delivered to the international border and the border price is, to use the industry jargon, "flowed back" to producers in Alberta.

As a consequence of this revenue flowback, natural gas producers receive an average of 25 cents per mcf in addition to the 72 cents. This brings the average wellhead revenue per million Btu to the producer to a total of more than 97 cents—quite an increase in 3½ to four years time.

When higher export prices were first fixed by the NEB in 1974, natural gas producers in Alberta who sold their gas to purchasers for resale to export markets received more revenue per million Btu than did producers whose gas was sold to and destined for the domestic market. This government protested that arrangement, because it put purchasers for Canadian markets at a serious disadvantage by creating a disincentive for producers to sell their gas to them.

After repeated urging, the federal government has required, as we had suggested, their revenue from export sales to flow back to producers on an equal basis. In four years the average revenue at the wellhead in Alberta has increased from about 16 cents a million Btu to over 97 cents. That is a huge increase. The entire increase does not, of course, remain with the producing companies: The governments of the producing provinces and the federal government have greatly increased their take. Nonetheless, there has been an enormous increase in the producer's revenue from natural gas sales.

Notwithstanding this recent history of price escalation, the federal government is preparing to increase the price of natural gas still further. The current southern Ontario citygate price of \$1.25 per mcf is to be adjusted according to a formula which will relate the citygate price of natural gas with the delivered cost of crude oil to refineries in the Toronto area. Expressed in Btu, or in other words, equivalent energy terms, it is proposed by the federal government that the price of natural gas—now 85 per cent of the equivalent price of crude oil, and only a year ago 65 per cent—should move in the direction of 100 per cent in the next few years.

The average refinery-gate price of crude oil in the Toronto area is about \$8.80 a barrel. The citygate price of natural gas is \$1.25 per million Btu which, as I mentioned, is 85 per cent of the equivalent—

Mr. S. Smith: You would better have switched to using gas whenever that is in low supply. We should all switch to natural gas—

Hon. Mr. Timbrell: If you would just sit down, keep quite and listen, you might learn something about the overall problems of this province.

Mr. S. Smith: I have been listening.

Hon. Mr. Davis: But you don't understand this.

Hon. Mr. Timbrell: As I mentioned, Mr. Speaker, natural gas is at this time about 85 per cent of the equivalent energy cost of crude oil.

Natural gas prices could move to higher levels from two causes. The first is by increasing the 85 per cent figure discussed above to a higher figure—moving towards 100 per cent over the next couple of years. But an obvious second means is through any increase in the price of crude oil, given that the price of natural gas will be 85 per cent of a higher oil price and so will automatically increase.

It is apparent that an increase in the price of crude oil will carry with it an increase in the price of natural gas. That fact has contributed to our urging of a moderation in the pricing appetites of Ottawa, Edmonton and Regina with respect to the price of crude oil.

I have noted that the comparison of southern Ontario delivered prices is a comparison of a natural gas price to be determined by government to an average price for crude oil delivered to Toronto. Secondly, it is a price comparison at two points. The citygate gas price and refinery-gate crude oil price are not comparable if one looks at the cost and market structures which are met downstream of these points.

Natural gas leaves the city gate and is transported through a distributor's franchise area to his mix of industrial, commercial and residential customers. Crude oil is first refined into a wide range of petroleum products—from heavy fuel oil to heating oil and motor gasoline—and then is distributed by a variety of modes of transportation. The refiner producing a range of products has greater pricing flexibility than the natural gas distributor selling only one.

These circumstances have been reflected in current market comparisons at the burner tip between natural gas and petroleum product prices. For example, in major refinery centres such as Sarnia and Montreal, heavy fuel oil has been sold at prices below those for interruptable natural gas sales to large industrial customers. In the case of some other products the competitive margin of oil to natural gas

has been less than the 15 percentage points suggested by the citygate refinery-gate comparison.

In short then, gas and oil prices at the burner tip have already approached the stated federal government goal of parity in many large significant markets. Further increases in gas prices relative to petroleum products could, in our view, create serious dislocation in the structure of natural gas sales in Ontario.

Due to a difficult supply situation over the next few years, it is expected that natural gas will be less available for many of the uses for which interruptable sales are now being made. But if this process of large users switching from gas to oil occurs rapidly on a large scale, the only results can be the shifting of a major cost burden to the smaller commercial and residential natural gas customers.

Canada's best hope for significant new energy supplies at this time appears to be natural gas from the frontier regions. These supplies will only be able to displace imported crude oil from OPEC countries if large users retain their capability to use natural gas. Further tampering with the competitive relation of natural gas and petroleum products by increasing the percentage relationship of natural gas to crude oil at this time would have serious consequences for our future security of energy supplies.

A further concern with respect to natural gas prices arises from the lower prices being paid for natural gas in the states that border Ontario and that compete strongly as locations for industry. As the Treasurer (Mr. McKeough) indicated in his budget, the range of city-gate prices in the northeastern states is 70 to 99 cents per million Btu, compared with the \$1.25 imposed by the federal government last November. Over the current year, these US prices are forecast to move up to the range of 80 cents to \$1.15, still below what we are paying today.

The fact is that if the price of natural gas in southern Ontario was not moved up at all, Ontario manufacturers would still be at a disadvantage vis-à-vis the US manufacturers with whom they must compete for most of their business. Further increases would worsen a situation that is already unsatisfactory and disadvantageous to this province and country, to employees as much as employers.

Natural gas price increases already have resulted in massive revenue gains to the oil industry and to the governments of the producing provinces, in addition to damaging the industrial fabric of this nation. The one

positive result is that they have, in fact, provided the explorers with an increased stimulus to look for and develop new natural gas reserves.

In the case of natural gas that has already been discovered, further increases in price may not be necessary for the stimulation of maximum production of these reserves and to encourage exploration for new reserves. A pricing policy that differentiates between discovered or "old" gas and yet to be discovered or "new" gas provides, we feel, the greatest incentive to maximize natural gas supplies at minimum cost to the consumer. Our analysis indicates that a policy of increasing "new" gas prices at rates just slightly in excess of prevailing rates of inflation and fixing "old" gas prices at current levels can be expected to attract as much additional supply as increasing all gas prices to parity with crude oil and then tracking the equivalent of international crude oil prices.

In short, restraint in the matter of natural gas prices by the producing provinces and the federal government will provide the best protection for the consumer in terms of securing adequate supplies as well as in terms of his ability to afford the purchase of the natural gas he requires.

A policy for Ontario today becomes both predictable and rational: Natural gas prices must not be increased beyond the 85 per cent of the cost of an equivalent amount of energy in crude oil at the Toronto refinery gate.

There is another important matter which I wish to discuss briefly. I refer to the fact that the Premier of Alberta has recently reiterated a concern as to the role of TransCanada Pipelines Ltd. as the supplier of natural gas to the Canadian market east of Alberta.

Throughout its history, TransCanada has been an aggressive, responsible and reliable supplier of natural gas to Saskatchewan, Manitoba, Ontario and Quebec. This has been possible as a consequence of the breadth of its supply base and the efficiency of its operation and its pipeline system.

Several years ago concerns were expressed that the absence of competition from other buyers in Alberta permitted TCPL to exert an undue influence in the direction of keeping the Alberta well-head price of natural gas too low. Ontario has never accepted this premise. TransCanada, in fact, has always faced extensive competition, a matter which was dealt with in great detail by my predecessor when he appeared before the National Energy Board in December of 1974.

I shall not recap the arguments he advanced at that time other than to note that if the desired degree of competition had not, in fact, been present in the past, that cannot be of valid concern today when prices for natural gas are no longer set by competition in the market place but are fixed by government. This is a course that was initiated by the Alberta government itself, by an amendment to its Arbitration Act, and was further entrenched by the passage by the federal government of its Petroleum Administration Act. Concerns about the effect of TransCanada's ability to influence well-head prices were never well founded. They now have no foundation at all and, frankly, they should have vanished. In fact, there are growing arguments in favour of maintaining natural gas supply and the pipeline delivery system under the ownership and control of a single entity. Canada faces the very real prospect of a curtailment of natural gas exports and the allocation of natural gas supplies between consuming provinces. Allocation, if it should be necessary, will be much more manageable if the delivery system can also be a mechanism for needed curtailments and allocations. A multiplicity of buyers, brokers, shippers and transporters would unnecessarily complicate natural gas supply problems that already can be anticipated. The present system has served both producers and consumers well and it is obviously the best mechanism for the future.

[4:15]

There is no adjustment in our policy position which, as has previously been stated, is that: "The co-ordinated and integrated system of natural gas purchase, transportation and sale that is epitomized by the TCPL system is a form to be preserved and not discarded or amended."

I'd like to discuss briefly with the members two more aspects of energy that may bear on the first ministers' discussions later in the week. The Ontario government has assessed the economic impact, over a 12-month period, that would flow from a \$2-a-barrel increase in the price of crude oil, with gas increasing in the proportion that would result from the fact that it is indexed at 85 per cent of the energy equivalent cost. The total paid in a 12-month period for oil and natural gas by the people of Ontario would increase by \$650 million, of which \$400 million would be attributable to the increase in the price of crude oil.

Even assuming an effective anti-inflation programme, the consumer price index would increase by 1.3 per cent, of which 1.1 per cent would be due the oil price increase. The real rate of growth of the gross provincial product of Ontario would be reduced by 0.4

per cent, of which 0.3 per cent would be due to the oil price increase. Oil and natural gas price increases would further damage a deteriorated competitive position, raising the export price index by 3.2 per cent.

These figures apply only to Ontario. On their own, they should be sobering enough. Applied to the entire nation, and the price increases will have an impact everywhere of course, they are very serious indeed. The offset that would result from increased economic activity in the producing provinces would not begin to compensate. It will clearly be economically damaging to this country.

It would also have serious implications in terms of fiscal balances in Canada. Exclusive of the export tax, new revenues available to governments and to the oil and gas industry from a \$2-a-barrel increase in the price of crude oil and a lock-step increase of about 35 cents in the price of natural gas would be about \$1.9 billion over a 12-month period. The distribution as between governments and industry under existing fiscal arrangements would vary in accordance with the industry's response to exploration inducements that are already in the fiscal system.

If exploration was not increased, this \$1.9 billion would be so divided that \$510 million would pass to the federal government, \$1.01 billion would pass to the producing provinces and \$380 million would appear as industry cash flow. The respective percentages would be 25 per cent to the federal government, 53 per cent for the producing provinces and 22 per cent would find its way up the line to the producing companies. If exploration was stepped, let's say by \$200 million, the respective percentages would change to 22 per cent to the federal government, 52 per cent to the provinces and 26 per cent to the companies.

If it sounds a little irrational that those we are relying upon to assure the supplies essential to our future are to receive only a fifth to a quarter of the extra dollars paid by consumers, then I say to the members don't look at the government of Ontario because it sounds just as silly to us as to you. We don't like the policy either.

The fact is that the petroleum industry has been perverted into a vehicle for new taxes on Canadian consumers by your federal government. And Canadians are paying twice: We are paying higher taxes, and our future is being threatened through the failure of the policy to assure future and needed crude oil and natural gas supplies. It's a perverse policy.

The very serious issues facing this nation in terms of prices and supplies of energy inspired the Department of Energy, Mines and Resources to strain and bring forth yet an-

other report, which I mentioned earlier. It's entitled "An Energy Strategy for Canada," and it will be a companion on the bookshelves to "An Energy Policy for Canada," which only three years ago so seriously misled the nation as to our potential supplies of oil and gas.

I don't want to condemn the whole report. The statistical tables at the end are very helpful. Certainly, parts of the report itself are useful. The weakness of the "strategy" is that it emerges as little more than a justification of the existing federal policy, and it fails to recognize that energy policy cannot be divorced from other vital policy considerations, including fiscal relationships, national economic and industrial policy and, broadly, the well-being of Canadian consumers and the economic health of the nation.

I might best sum up the report by quoting two paragraphs from the *Financial Post* of May 1:

If the report is long on analysis, it is short on hard recommendations. It repeats earlier warnings that Canada faces oil and gas shortages soon, that imports of oil will climb at an alarming rate and that massive energy-related capital investments will be required during the next 15 years.

To meet the challenge requires, eventually, specific policy decisions by the federal and provincial governments. Yet the report dodges the issue. Instead of hard policy, it outlines general "energy targets" for an even more generally defined "strategy for self-reliance."

Whatever that's supposed to be.

Mr. S. Smith: What did they say about cost, Dennis?

Hon. Mr. Timbrell: It is a regrettable fact that this is a political document, produced for political purposes. It has emerged at the time when it might most usefully rationalize the past policies of the federal government—

Mr. di Santo: That's your document.

Hon. Mr. Timbrell: —which, presumably, the federal government wishes to extend at the meeting on May 6. It does not contribute to decision-making.

There are some who have already prejudged the outcome of the result of the first ministers' meeting later this week. I think the first two speakers would have to be among them. I think that's regrettable, I think it's fatalistic. Not only that, it is a disservice to this province and to this country. It is a course which everyone in this province, in-

deed in this country, must reject. There is just too much at stake.

The present policy of the federal government is an act of folly. Its insensitivity and determination not to consider alternative policies are examples of how much out of touch it is with reality and the real needs of this nation. Its persistence to unnecessarily escalate crude oil prices and to tax the consumers of this nation is, at its worst, deception. It is a policy brutal in its impact, and which has failed and will fail to contribute to security of supplies from domestic sources.

Our protests have resulted in some modifications. Alberta is talking of lowering its royalty rates. The government of Canada has built in some incentives for increased exploration, inadequate though they are. We have gained some successes for the beleaguered consumer. Irrespective of the outcome of the meeting this week we will continue to argue the course of reason in energy policy.

Our policy is clear; it is logical; it is reasonable. From the response to date from people around this province, in every part of this province, I know that it has the overwhelming support of the people of Ontario and, as I indicated earlier, I would hope it would have the support of this Legislature.

Mr. Speaker, I don't want to use too much of my party's hour except to say that I found it disappointing that the hon. member for York South (Mr. MacDonald) instead of examining in detail the policy paper that we put forward, or even for that matter examining in detail the present policies of the federal government, chose instead to go back to that old chestnut, nationalization; that somehow, through nationalization, all the problems of the country could be solved. I think that kind of an expression of opinion fails to take into account—

Mr. di Santo: Not all the provinces, but this province.

Interjections.

Mr. Speaker: Order, please. You're wasting valuable time. Thank you.

Hon. Mr. Timbrell: I don't know what it's like over there, but here in this country there are bodies in place—the National Energy Board, the surveys branches of EM and R, the marketing commission of the Province of Alberta, any number of bodies—which do, in fact, have control now over the industry and can call the industry to account and call into public forums the information which is required for policy making. There is no ques-

tion in my mind, and I've said this repeatedly in my, unfortunately, long address, that—

Mr. Foulds: Unfortunately.

Hon. Mr. Timbrell: —that the direction that was given by the federal government in years gone by to its departments and to the agencies of the government, was insufficient, was shortsighted. There is no question that the interpretation placed by that government, and let's be fair to all of Canada, was undoubtedly short-sighted. But to suggest that nationalization is the final answer, that somehow by spending billions of dollars to buy even one oil company with the burden that goes with that in terms of borrowing and debt, when we can get the information we need now through existing structures, I think is really being rather silly.

Mr. Speaker, some time ago—about the end of February—I received a brown envelope containing a memorandum headed, "Liberal Research Report." It was addressed to Messrs. Peterson, Reed, Shore and Floyd. I'm sorry I don't know Floyd, but I understand he's a mandarin around "the big red machine." This memorandum was directed to these four gentlemen by a Mr. Stevelman, who at the time was a researcher with the Liberal Party in—of, for, at, whatever—Ontario.

Mr. S. Smith: Fired after two weeks of employment!

Hon. Mr. Timbrell: The subject was, Minister Timbrell's statement on proposed oil price increases." In February I had set out the general details of Ontario's position, the principles upon which our position was based and this is what Mr. Stevelman wrote:

I most definitely think a statement on this matter from either the caucus or Stuart [whoever that is] is urgently needed. Without such, the public will not have any idea on where we stand on this most important matter and we could thus be misunderstood, as was most assuredly the case in last year's election.

Mr. S. Smith: It's unbelievable. Do you have any statements by unemployed cleaning ladies as well? It's marvellous.

Mr. R. S. Smith: Did you get that in a pink envelope? We can give you his whole file if you want.

Hon. Mr. Timbrell: He goes on:

Thus I would suggest that we should and must come out 100 per cent behind Timbrell on this matter, despite the possibility

of being at loggerheads with the federal government.

Mr. S. Smith: To stand during this important energy debate and quote an unemployed nitwit is shameful.

Hon. Mr. Timbrell: Instead, what has happened, notwithstanding the advice that they had been given, the Liberal Party of Ontario has, as I interpret the remarks of the member for London Centre (Mr. Peterson) and perhaps the member for Hamilton West will give us some clarification of the principle—

Mr. S. Smith: You might want to quote some of the receptionists who worked in our offices as well.

Mr. Gaunt: We had a cleaning lady fired too.

Hon. Mr. Timbrell: Isn't it interesting, Mr. Speaker, when brown envelopes go the other way; isn't the reaction interesting?

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Timbrell: The point is that this advice has been given to that party by one of their own officials. We know it has been given to them by countless citizens, because I get copies of letters that go to them, where people write in to tell them, as much as me, what they think; and yet, today, they still came around to saying the price has to be the world price. They have not, to this point, made a serious analysis of the position we put forward.

Mr. Peterson: Did you reply?

Mr. S. Smith: You didn't listen. You didn't hear what we said.

Hon. Mr. Timbrell: Mr. Speaker, we go to Ottawa this week in an attempt to bring to national energy policies, specifically oil and gas pricing policies, some recognition of the needs of the seven consuming provinces and an appreciation for the aspirations of the producing provinces, several of which, for many years of their existence, have been have-not provinces.

Mr. S. Smith: Poor Alberta! Poor Peter Loughheed!

Hon. Mr. Timbrell: We take with us a desire to keep prices in this country below those which prevail in the United States so as to give to Canadian industry, and therefore to Canadian employees, some advantage.

Mr. S. Smith: You are \$2.30 out in the American prices.

Hon. Mr. Timbrell: We take with us a concern that it must be the private sector that is the primary vehicle for the regaining of energy self-sufficiency in this country.

Mr. S. Smith: They have done a great job so far, haven't they?

Mr. Breithaupt: They can't even contribute any more.

Interjections.

Hon. Mr. Timbrell: We do not take with us the notion that government can do it better.

Mr. Peterson: Your government can't do it. We've established that.

Hon. Mr. Timbrell: We know that government has the authority, through existing structures and existing statutes, to cull out whatever information they want—in fact, to force whatever they want on the industry—

Mr. Warner: Why don't you?

Hon. Mr. Timbrell: —but the fact of the matter is that the industry is still better able to do it, given the resources. We take with us a genuine concern and commitment to do everything possible—

Mr. Lupusella: You never had any genuine concern to solve the problem.

Mr. S. Smith: They have done a great job of exploration.

Mr. Speaker: Order, please. There is a time limit on this debate. It's not fair to be interrupting.

Mr. Peterson: He deserves it, Mr. Speaker.

Mr. Speaker: Order.

Hon. Mr. Timbrell: —to do everything possible to offset the negative influence of the last two years' actions by the federal government. We will try to do everything possible to convince our sister provinces and the federal government that there is a better way and that Ontario's alternative may just be that better way.

Hon. Mr. Taylor: Great stuff.

Mr. Peterson: Wasn't that a stirring oration?
[4:30]

Ms. Bryden: Mr. Speaker, I can understand why the hon. minister has so much trouble coming up with a policy regarding possible

increases in the price of oil and gas, because he has no framework in which to fit it. There is no overall Ontario energy policy and therefore he does not know how any increase in one component will affect the whole economy. He does go around the province talking about the impact of suggested price increases, but he has not come up with any policies on how to offset that impact; what to do about the people whose jobs will be lost and the people whose jobs have already been lost from the increases that went into effect in 1974 and which also went into effect and are being worked through the economy in 1975 and in 1976.

There are figures that show that in 1974 we lost 22,000 jobs, 16,000 jobs in 1975, and expect to lose 19,000 in 1976; just from the increases that have already gone into effect. It has been estimated that if the proposed increase of \$4.60 per barrel over the next two years which is being talked about goes into effect, there will be a job loss in this province of 70,000. We already have over 260,000 unemployed, but the minister, going around the provinces, has produced no policy as to what can be done about that.

Hon. Mr. Timbrell: No, that's not true.

Mr. MacDonald: She wouldn't have said it if she didn't think it were true.

Hon. Mr. Timbrell: She doesn't believe it.

Mr. Speaker: Order, please.

Ms. Bryden: I can also understand how the spokesmen for the Liberal Party have problems with the question of oil price increases because there is no federal energy policy either which would fit oil and gas into the context. I think what we are here to do today, Mr. Speaker, is to make some suggestions for a positive Ontario policy in Ottawa on this question of oil and gas price increases. The blended price policy, as my colleague has pointed out—the Ontario proposal—is a non-policy. It does not address itself to the main problem connected with any price increases; and that is what will happen to that price increase, how much will be available for exploration and development in Canada?

Hon. Mr. Timbrell: That's what we're saying.

Ms. Bryden: How much will go to industry for actual production costs and how much for increased profits? How much will go to government and what will those governments do with it; simply reduce taxes in provinces that are more fortunate in having more oil sup-

plies? Or will it be used to overcome some of the economic problems that arise from higher oil and gas prices? Will it be used to increase exploration and development?

The Ontario government has not taken any position on how that money coming from the increased prices will be divided. Nor has it taken a position on any windfall gains that come from any price increase due to inventories being priced at the old price and then sold at the new price. The policy that was followed in Ontario in the last year took back some of those windfall gains, but the proposal of the Isbister commission is that it should be reduced to the overall average of inventory gains. In our opinion there should be no inventory gains for any oil company; it should not be just based on an average.

Mr. Speaker, I want to speak particularly about parts of the positive policy this government should take to Ottawa. One is on the question of conservation. The proposals that have come out of Ottawa so far are very weak in this field. They are suggesting that the proposed increase in utilization of oil and gas should be cut back to 3½ per cent a year over the next ten years. That is a very modest reduction from the 4½ per cent increase in the three years from 1970 to 1973, and the four per cent increase from 1960 to 1973.

Mr. Speaker, we will not solve our energy problems if we cannot do better than that on reducing the consumption of energy. But this province has a very weak policy on conservation. I heard the minister the other day on the radio saying he didn't believe in imposing policies on people, in telling them how they must reduce consumption. He believed in encouraging them by word of mouth and by ads and that sort of thing.

That is not good enough. It is time the government looked at some things such as higher motor vehicle licences for big cars. It should look at changing all billing practices of utilities so that instead of the more you buy the cheaper it is, it would be the more you buy the more expensive it is. They should be working to end Hydro's policy of bulk metering in large apartment buildings. This causes, according to a recent study, a 39 per cent increase in consumption, this bulk metering. They should be withdrawing the special exemption from the gasoline and fuel oil tax they gave to industry just a year ago, in April 1975.

These are the sort of positive policies the Ontario government should be undertaking to give leadership and to show the federal government it really means business about

conservation and that it would be prepared to co-operate with similar tough policies at the federal level.

They should, of course, also be researching alternative forms of energy to these non-renewable sources and encouraging the manufacture of appliances that are more energy efficient; and advertising to inform the public which ones are the most energy efficient. That is one positive policy area where we feel the hon. minister could beef up his presentation at Ottawa and do far more in that field.

The second area is on the question of impact on consumers and workers. Our research department has worked out the effect of a possible increase of \$4.60 in the price of crude oil over the next two to three years and what effect it will have on the Ontario economy. I just want to read a few of the figures into the record to let you know the kind of crisis situation we are facing. All governments must be working to reduce this impact.

They estimate that a \$4.60-a-barrel increase in crude would reduce our gross provincial product by \$828 million; it would reduce consumption of goods and services by \$828 million. It would reduce investment by \$313 million. As I mentioned earlier, it would cause unemployment of 70,000 people and it would raise the consumer price index by 3.9 per cent. The previous increases have already raised the consumer price index by 2.3 per cent so that we can see that these proposed increases are going to have very serious effects on our economy.

We have also worked out the total cost in dollars to consumers from such an increase which would require an 18 cent increase in gasoline and similar increases in heating oil and natural gas. To consumers, if they heat with oil, it would mean \$246 a year extra; if they heat with gas, \$206 extra.

My colleague mentioned that some of that increase is the result of the proposal, being bruited about the country, that the petroleum companies would ask for almost a four cent increase over and above the actual increase in cost from increasing the price of crude. So that part of those figures I have given you are the tribute to the oil companies. It would amount, on gasoline for example, to \$21 a year per family to the oil companies just in extra profits; and in heating oil to \$29.60 a year to the industry over and above the actual cost resulting from the proposed increase of crude. These are the sorts of things the Ontario government must be prepared to oppose. Any further increase in petroleum companies' profits is completely unnecessary. We all know their profits have been at an all-time level for the last few years.

The third area on which I would like to suggest that the minister should approach Ottawa is a positive energy policy. First of all, it must be a policy that will have a clear-cut picture of where the money goes. It must be a policy which will see that the money goes into exploration and development in Canada, that it does not go into oil companies' profit; that it goes into oil sands development but not on the basis of Syncrude. That is a situation where the government puts up the money and the companies pretty well reap the profits—or control the amount of profits that are available to the other shareholders—and the government has no real say in the management of the company.

I think it is time the Ontario government also put it to the federal government that energy is too important to be left to the private sector, especially when the sector is largely dominated by foreign companies. Energy affects every job, every export, every homeowner, every tenant. It affects too many facets of our economy. It affects every wheel that turns. For that reason, we must start moving toward bringing energy under public control. We must develop an industrial strategy which takes into account all kinds of energy and sees that we get the most efficient use of our energy resources.

In short, Mr. Speaker, I would urge that the minister go to Ottawa and suggest that it is time we developed an integrated energy policy in this country, and that Ontario is ready to lead the way.

Mr. S. Smith: Thank you, Mr. Speaker. I am very pleased to participate in this emergency debate which is of obviously great moment and great interest to the government. At times there were as many as five members of the government party sitting in the House listening to this debate. At the moment, the Premier (Mr. Davis) is not here and the Minister of Energy (Mr. Timbrell) has just entered to speak to some people in the gallery. It is shocking to me that we should have to engage in a debate on something so important to the political life of this province and have nobody here to listen.

The position that was put by the Minister of Energy sounds to me very much like the same old game of "let's attack the federal government and see how many points we can score by so doing". Unfortunately I can assure you there is lots to attack in that particular government when it comes to energy, because I don't think they have had a coherent energy policy for some time. However, this particular government has even less of an energy policy. If you look at the document produced by the Minister of Energy, it

is a kindergarten effort. This particular document has to be one of the most misleading and one of the least appropriate documents for important consideration, and on which a decision that has to be made, that I've ever seen.

[4:45]

The document first of all purports somehow or other to come up with a blended price for oil. It is going to tell us how we can take the existing cheap oil in Alberta and assign to it the present arbitrary value of \$8 a barrel. We are also going to be able to take the imported oil, for which we have to pay world price—and even the geniuses in the government opposite haven't figured out a way we can pay less than that to Venezuela, but that is the way it goes—and they are going to take another figure, a magical figure of \$11.20—it has a nice ring to it, a nice sound—and that is now the figure for what it's going to cost to produce a barrel of new oil. That's marvellous that they can come up with a figure like that.

There is no new oil. The only reason we are sitting here having this debate is that we're running out of oil in Alberta and there is no new oil.

Hon. Mr. Timbrell: There is new oil.

Mr. S. Smith: What is the magical figure of \$11.20? We don't know what this tar sands oil will cost; we don't know what the frontier oil is going to cost; we don't know what the off-shore oil is going to cost; it's guess work, but he has come up with \$11.20.

Mr. Foulds: You should be comfortable with that.

Mr. S. Smith: He's blending a price for us, a blend, an amalgam if you will, of various prices conjured up by the Minister of Energy and allegedly corresponding to some reality which exists in his imagination.

He says that this is a marvellous scheme, because as you blend the price of the old oil, the cheap oil, with the new oil that comes in from the tar sands and so on, even if the tar sands cost "\$27 a barrel," it won't matter because it will be offset by the price on the old oil.

Hon. Mr. Timbrell: I said \$15.

Mr. S. Smith: The only problem is that by the time the tar sands are producing oil for us the old oil in Alberta won't be there any more. What kind of a blend will it be if it's a blend of zero plus \$27?

Hon. Mr. Timbrell: In 1978?

Mr. S. Smith: The figures are just the most interesting imaginable. Look at the tables at the back. At least he said the federal document, which I'm not very fond of, had good tables. That's more than I can say for his. Strangely enough, these tables show how this government proposes a gradual increase in the price of oil, \$8 to 10.49 and so on, under case No. 2, in a few years time. They show how they're going to increase the price of oil. Conveniently, the date stops when the Alberta oil would no longer exist.

If we've got lots of cheap oil in Alberta, then let's all go home, stop wasting our time sitting here, because there's no need for the debate. The problem, unfortunately, is that the oil won't be there. When the oil is no longer there, then you have to pay what the seller is asking. You can't go to Venezuela with a Canadian gunboat and lower the price according to his blend. The world price will have to be paid at some point. When the Alberta reserves have run out then the world price will have to be paid, barring some discoveries in our own country of equivalent crude oil and equivalent energy that can come in more cheaply.

We all earnestly hope that will be discovered, but as it stands at the moment all the figures indicate that any new oil which will be discovered in this country will come in rather expensively. When you get to the price of oil that is going eventually to replace the cheap oil which is presently coming in from Alberta and other western areas, when you get to the point where we've discovered this new oil and bring it in, the chances are the world price will adjust to that, because the world price at the moment is totally artificial. But at some point, it will have to relate to its marginal replacement price, and that is the price at which the US can bring in oil from the shales or that we can bring in tar sands oil or something of this kind. The chances are that's how the eventual equilibrium will be reached.

What we're talking about in our party and in our efforts to come up with an energy policy in the Ontario Liberal Party is that we assume, first of all, that we're running out of cheap oil. If that's not true, then forget the whole thing; we assume it. We assume at some point we are either going to have to come up with discoveries of our own, which will probably come in more expensively no matter where we find them, or we are going to have to import an awful lot of oil from other countries and pay their price. That's the assumption we make, and that's going to

be sometime in the mid-1980s, that's what most experts believe.

If we start with that assumption, then the fact is the people of this country, and of this province in particular because we're the biggest energy users, are suddenly going to find themselves overnight with a gigantic energy bill, unless we have an assured supply of additional energy that comes on stream between now and then.

(Now there are other forms of energy. There is nuclear energy, and the Canadian government and the Ontario government have put a lot of work into nuclear energy, I think with some success. But we know the problems of nuclear energy. There are hazards; there are dangers; it is difficult matter to keep clean, the by-products are a troublesome problem for most of us to think about.

Still, I suspect we will have to use nuclear energy to some extent, at least during the gap until renewable sources of energy come on stream. But remember that renewable sources of energy will not be meaningfully available unless we start working on them now. It is probably, and I agree with the minister, a 20- to 25-year lead time for these things. The lead time isn't magical; if we don't start working on them we are never going to have them.

So we start with the assumption that at some point we are going to be faced with a drastic increase in the price of crude oil and the price of energy. The question then becomes: Is it better to wait until that point arrives and figure we will deal with it when it comes, or is it better to prepare your economy gradually for the fact that that point is coming?

Already, our major competitors in Japan, in Europe and to some extent in the United States, are gearing their economies for the days of expensive oil, because that is already the case in most of those places. They have had to deal, and learn to live, with expensive oil. Consequently, they are already introducing the more efficient engines, the energy-saving devices and the various conservation measures which we have been suggesting are essential for us to use in this province.

So we suggest that at some point down the road it will be better for Ontario to realize that the crunch is coming; realize that expensive oil is going to have to come in at some point. It will be better for us to adapt gradually; not be like the dinosaur that sort of goes along and then when there is a sudden change in the climate dies out, but rather get ourselves geared up for the inevitable, not hide our heads in the sand.

Now unfortunately, this is not a good time to contemplate vast increases in the cost of energy. Our country, and our province in particular, have come through a very difficult recession combined with inflation. Employment is not growing in this province in a way that it should and that we would all hope it would; we cannot tolerate, in simple words, a large increase in the price of crude oil at this time. That is all there is to it. We have to refuse to accept a significant increase in the price of crude oil at this time.

Mr. MacDonald: How would you do that?

Mr. S. Smith: But we have to accept the principle that over the years to come there will have to be some movement in the price of oil toward higher levels so as to prevent the drastic, wrenching adjustment which would otherwise have to take place when we were thrust on the mercy of expensive oil; that is the first point.

To some extent, actually, the minister and I are in some agreement; inasmuch as his blend is really a gradual increase and he and I agree on that. The point is that the blend doesn't make any sense. It deals with new oil prices which aren't meaningful because we don't know what the new oil in any bulk is going to cost. We know it is two per cent new oil now, but I am talking about in bulk. We don't know what it is going to cost and so these prices are not particularly realistic and we are running out of cheap oil.

It is interesting, when it comes to Hydro, that the minister made the argument that we should be spending more on Hydro now to assure a supply later on; but when it comes to crude oil he doesn't accept that argument, it is only good for Hydro.

Mr. Sweeney: The federal government doesn't produce hydro.

Hon. Mr. Timbrell: That's nonsense and you know it.

Mr. S. Smith: You heard it. Now let us move on.

Hon. Mr. Davis: That's silly; absolutely, totally silly. The investment has been made; even these people understand that.

Mr. S. Smith: We have the fundamental question as to whether we are in fact running out of oil or not. We all accept that if there is to be any price increase in oil by the way—and let me make this clear just to get it on the record—that there are to be no inventory profits. The fact is, there is to be a freeze during the time that inventories run

out. We have to insist upon that, even if there is an increase in energy price at this time.

Hon. Mr. Kerr: Like we did last year.

Mr. Renwick: Glad to have your support.

Mr. MacDonald: You didn't support us last time.

Mr. S. Smith: We are particularly concerned about the way in which this government and the federal government go about distributing the money that comes from the increases in the price of crude oil. This government has agreed that we are talking of well-head price for oil. Now, well-head price for oil is distributed between the producing provinces and the oil companies and the federal government, and I want to be clear about this—

Mr. Foulds: You don't have to tell Davis this, he learned it the hard way.

Mr. S. Smith: We say not one more cent for the producing provinces. We want to be clear about that. Now let's get that on the record.

The Province of Alberta is not a member of OPEC, there is no need for them to try to take advantage of this artificial price that has been established by the Arab cartel and attempt somehow to thrust it down the throats of Ontarians and other people in this country. They are rich enough in Alberta, they are rich enough. They have very little—

Hon. Mr. Timbrell: How would you achieve that?

Mr. S. Smith: They have no sales tax, they don't pay property tax on education, they have no inheritance taxes, their income taxes are much lower than those of the rest of us; they are rich enough in Alberta. No more money for the producing provinces.

Hon. Mr. Timbrell: How would you do that?

Mr. S. Smith: Now, the second point we want to make—

Interjections.

Mr. Renwick: They don't have one thing out there that we have; there's no Liberal Party.

Mr. S. Smith: We're looking forward to hearing the views of Joe Clark, on this subject, you know.

It's a pity the Prime Minister hasn't thought of the clever gimmick of having a debate in the Commons the way the Premier thought of one here, to find out what the opposition parties think and put them on record. But Joe Clark has managed, so far, to avoid being on record. We'll hear what his point of view is, we'll hear what your kissing cousins have to say. We know what your step-brothers in Alberta have to say, but we don't know what your kissing cousins in Ottawa have to say yet.

Hon. Mr. Timbrell: You have read Stevelman's memo.

Mr. Peterson: You can have Stevelman back, we don't want him.

Mr. S. Smith: The second point we make is that the oil companies, as far as we are concerned, are making enough money and we do not want to see a single cent of any increase in the price of oil going to the oil companies. Now the oil companies make the point that they need higher prices for two reasons.

Hon. Mr. Davis: That's exactly what we say.

Mr. S. Smith: The first reason, they say, is that they need the money in order to be motivated to go out and find new oil; because if they're not going to get a high price for their oil they naturally won't be motivated to go and look and they would prefer to go and look in other places, Indonesia or whatever, where they could get a high price for their oil. What I say to that is, by all means promise them more money for any new oil they find. We should come to an agreement, find out what they need per barrel to make it worthwhile to look, and promise them they will get that amount per barrel for any new oil that they find. But we should not permit them to sell cheap old oil at excessive profits, allegedly in order to be motivated to look for new oil. The motivation will come by our guaranteeing them that if they find new oil they will get a decent price for it.

Mr. MacDonald: I don't know how you reconcile that with what Peterson said.

Mr. S. Smith: The second matter has to do with the amount of money they claim they need now for cash flow. They say they need more money now, based on excessive profits of the old oil, in order to be able to afford to go and look for new oil. They claim they have to be able to sell their old reserves at the going rate in the world market in order

to get money to replace those reserves, which are more expensive to replace because of the new problems of looking for them at the frontier; that's what they say.

What we say is let them find their money in the usual time-honoured way in which prospecting and exploration have gone on in this country in the past; which is they can raise it by equity issues. They can raise risk capital and they can in fact go and look for it in the usual manner.

Mr. MacDonald: That's two policies from the same party on the same afternoon.

Mr. S. Smith: The fact is there is no particular reason why we should be giving them more money—

Hon. Mr. Davis: We are going to have, the Peterson party and the Smith party.

Mr. S. Smith: Do you want to hear the policy? I'll give it to you. Surely the Premier doesn't have to copy the acting leader of this particular party in order to find out what his bon mots should be. Surely you can think of a few of your own.

[5:00]

Hon. Mr. Davis: Mr. Speaker, on a point of order.

Mr. S. Smith: This is no point of order, Mr. Speaker. You know it is not a point of order.

Hon. Mr. Davis: Does the member for London Centre (Mr. Peterson) not speak for the Liberal Party when it comes to matters of energy? I listened to him very carefully.

Mr. S. Smith: The leader is speaking at the moment, listen!

Hon. Mr. Davis: Hollo!

Mr. MacDonald: It's different from what he said, isn't it?

Interjections.

Mr. Speaker: Order, please; the hon. member for Hamilton West has the floor.

Mr. S. Smith: I can appreciate why you would not want to hear this. I am sure it is very embarrassing to you to hear somebody making sense for a change after listening to the pathetic ramblings of your junior minister.

Hon. Mr. Davis: We won't make any comment about who rambled.

An hon. member: No, you don't understand that.

Mr. S. Smith: I particularly enjoyed, of course, reading on page 3 of this particular document the fact that Ontario feels the Anti-Inflation Board spirit and intent has to be dealt with in any energy pricing. Of course that didn't hold for Hydro, but it certainly must hold for crude oil.

Interjections.

Mr. S. Smith: So let me be clear: We oppose any increase in the wellhead price for crude oil because we don't want it to go to the producing provinces and we don't want it to go to the oil companies.

An hon. member: Where do you want it to go?

Mr. S. Smith: Although this is not a good year to raise prices, we accept that in the near future prices will have to go up, to prepare the economy for the wrenching adjustment and for another reason.

Mr. MacDonald: That's trying to have it both ways.

Mr. S. Smith: The second reason prices will have to go up in the near future is because of the fact we are going to need money, not only for exploration but for research into other forms of energy, research into conservation, research into the various possible conservation mechanisms and into renewable forms of energy.

It is really shocking when you consider that in this country at this time—and this is a condemnation of both levels of government—we are spending \$84.8 million, that is 75 per cent of any revenues that are in fact being used for doing research, for nuclear fission. When you look at renewable, we are spending \$1.5 million in this country on research into renewable sources of energy. That is absolutely disgraceful.

Interjection.

Mr. S. Smith: Per capita, in fact, the United States and Japan are spending over 100 times what we are spending per capita on renewable resources.

Hon. Mr. Timbrell: You should have kept Stevelman, he would have given you much better figures.

Mr. S. Smith: No, he is in your employ now. He is not my boy; he is your boy, he's your fellow. We have here in our country, unfortunately, very little money going to any form of research for other forms of energy except nuclear energy. All our eggs are in the

nuclear basket, and that's a very dirty basket indeed. It's one which worries me tremendously.

Hon. Mr. Timbrell: That's not true.

Mr. S. Smith: It seems to me essential that the price of oil, when it does go up, should not go up at the wellhead but only at the fuel pump. Any extra money which comes from the increased price of oil should go as follows:

Hon. Mr. Timbrell: Do you want another excise tax?

Mr. S. Smith: None of it should find its way into the coffers of the provincial government or the federal government. None of it should find its way directly to the oil companies. The money should be used as follows:

First of all, it should be used to defray the compensation fund to keep it in balance, because we believe in a single price for energy, barring transportation costs, across this country. We are sufficiently federalist to believe in that.

After that, all the money should go to a new agency, an agency similar to that of NASA in the United States; an agency similar to the National Research Council, perhaps, in Canada, but it should be under federal and provincial administration. The board should be appointed by the federal government and the provinces in concert. This agency should be charged with a crash programme of developing the energy sources that Canada will need for the next 10, 15 and 25 years.

There is no co-ordination now between Quebec's hydro, between Nova Scotia's coal, Ontario's uranium, and the natural gas and oil of other parts of this country. There is nobody making the decision should this dollar be better spent in Syncrude or should it be better spent in solar energy?

Interjection.

Mr. S. Smith: Should this dollar be better spent in oil exploration in the north or should this dollar be better spent in nuclear energy? Should this dollar be better spent in the gasification of coal research or should this dollar be better spent in offshore drilling?

These are the kinds of decisions that have to be made. We need an energy body that is going to take the bull by the horns and is going to deal with the energy needs of this country once and for all. That is the body that should get any additional money the consumer has to shell out of his pocket. It

should go only to that kind of co-ordinated effort.

And that body should have a number of functions. It should have the function of co-ordination, it's long overdue. Speak to any experts in the field of energy and they'll tell you that Canada has suffered for many years from the lack of this form of co-ordinating body. This body—similar, as I say, to the National Aeronautics and Space Administration in the United States, is long overdue—and it should carry out a number of functions which have previously been reserved for the oil companies.

It should determine investment priorities between all possible energy supply options, including conservation and gasification, renewable energy and so on. In addition, it should function as an energy ombudsman for Canadians, with the power to examine the books of all oil companies, to independently assess oil and gas reserves and to determine the potential of other energy sources for Canadian use.

We are not falling prey to the simplistic thinking of the people opposite, who see only that if you pay more for oil it's got to go to Alberta or it's got to go to the oil companies. We say that it's possible to have a unique, Canadian way of doing things. We say it's possible for this body I'm suggesting if need be to enter into partnerships with the oil companies for exploratory purposes if it wishes.

Mr. MacDonald: It's Blakeney's idea; that's a steal.

Ms. Gigantes: That was a Saskatchewan proposal.

Mr. S. Smith: The fact of the matter is that this policy is a novelty to these people. These people come instead with this nursery school, this kindergarten document about blending prices, none of which are existent prices. There is the old price that they suggested for oil that won't be there, and the new price they suggested for oil that we don't know the price of. What a fine blend that is!

Hon. Mr. Davis: And of course this agency is going to predetermine all the prices and know—

Mr. S. Smith: Our policy is very clear, and I hope there can be absolutely no doubt about that.

Hon. J. A. Taylor: Which one?

Mr. Bain: Which one is clear?

Mr. S. Smith: There is to be nothing for your friends in Alberta. There is to be nothing for the oil companies. There is to be a gradual movement, once the crunch is over in our economy, toward higher prices. The price would gradually approach world price, so that the wrench doesn't occur when we run out of old oil.

Our policy is not to be based on fairy tales, like your so-called blended price in that shameful document. It will be based on realities when the prices become known. It's to be a co-ordinated effort with all forms of energy that this country has and not simply the type of single-minded approach this government has come up with so far.

The amazing thing to me in this whole debate is that we've stood here for all this time and we have never heard the Minister of Energy say we're running out of old oil. He has not stood up and had the courage to say we are running out of cheap reserves. He has not stood up and said the interests of Ontario would be best served by assured supply, and that's what this province depends on. Nowhere has he dealt with the question of what to do when the crunch comes if the economy is not geared up to it.

We say, yes, there will have to be increases in oil prices in the years to come, and let's get Canadians used to that. No, we don't want a price increase this year because this year is a tough one for us, we're just coming out of a very tough economic crisis.

Finally, let's have a federal-provincial agency that co-ordinates this, and no more money for the western provinces or for the oil companies. Let's deal in the traditional, time-honoured manner of doing exploration in the way it's always been done in this country. That is a proper policy for Ontario and for Canada.

Mr. Speaker: The hon. member for Riverdale.

Mr. Renwick: Mr. Speaker, I'd like to address myself to the question which has been put before us today. I think I'll skip the comments I was going to make about why the government insists on having these debates a day or so before they go to Ottawa. Perhaps they want to have the unanimous opinion of this assembly to support them, although I guess they can't expect that or they'd call for a vote on this resolution.

Mr. Shore: Never go wrong with that, Jim.

Mr. Renwick: Nor do I really want to speculate as to why, on May 3, we're discussing a document of the Ministry of Energy,

dated March, 1976, and why we couldn't have had the proposal from this government long before that time.

Hon. Mr. Davis: You had it.

Mr. Renwick: I do want to try to talk about the substance of the question the government has put forward as its proposal to the government of Canada, its lack of certainty that anything will come of it and, to that extent, the posturing which is involved in taking that position. I take it I won't have to spend a great deal of time discussing the position of the Liberal Party, because I suppose the distinction is between whether we go to \$10 now or whether we go to \$9 now. I take it that the government of Ontario is prepared, for practical purposes, according to its statement, to go to \$9 on this blended price formula—or \$8.94—rather than \$10. I take it that the Liberal Party of Ontario, despite the withdrawal symptoms to which it is subject at this time, agrees with the proposal of the federal government that it should go to \$10 next week.

Mr. S. Smith: It's a pity you don't listen. If you heard me, you would know I said no increase this year.

Mr. Peterson: Read Hansard and come back tomorrow.

Mr. MacDonald: I think you would call it realism.

Mr. Renwick: What they are both saying, in different ways, is they accept the inevitability of the present existing relationship between the government of Canada, the government of the Province of Ontario and the oil companies. They accept it.

Hon. Mr. Davis: Look at Alberta and Saskatchewan.

Mr. Renwick: They live within it and try to find some elbow room but they can't find any elbow room because, I say to the Minister of Energy and the Premier, they don't ask the right questions. I don't think they've understood what has taken place.

I can understand that the policy of the government of Ontario, in all its areas of expenditure and of so-called concern, is to decelerate the rate of escalation. That seems to be what it does in every field and that's all it is doing with this very complex problem it has introduced in the statement the minister has put before us.

The statement, in substance, says that what is now a political question we will again transform into a formula which no one will ever understand.

I would have assumed that, even with the government's knowledge of the collective bargaining process, this is the time it would have been quite intransigent in relation to the government at Ottawa and the proposals as put forward—certainly as reflected, presumably unexpectedly, in the reiteration of the strategy released by the government of Canada a few days ago.

I don't see this government as ever able to understand that so long as it persists in misconceiving what has taken place in the world since 1970 and particularly since 1973, it can ever conceivably ask itself the right questions.

I want to deal with a basic proposition—not ideological—and I ask the minister and the Premier to detach themselves from their conception of our ideology about the oil companies and simply listen to the facts as they exist at this time and why the government of the Province of Ontario is only saying, "Let the price rise but let it rise in a more moderate way than the federal government proposes."

I'd like to disabuse the government of this term, "the international oil price" or "the world price." It isn't an international price and it isn't the world price and until we learn that we won't understand what took place in 1973.

For the years until 1970, there's no question about it, the governments of the western world defaulted to the oil companies in the world of the diplomacy of the oil industry. The posted price, I think at Beirut, was always considered to be the price which was called the world price, or international price of oil and to which everything else was related. The governments of the western world accepted, including the government of Canada—and I don't suggest the government of Canada or the government of this province has all that capacity to influence what takes place, but it is fair to say that the governments accepted the proposition that the price of oil throughout the western world was sufficiently low that the cartel operated by the seven leading oil companies in the world was providing oil at what could be called a bargain price and that that was quite sufficient and quite satisfactory.

[5:15]

Let us understand what then took place. This is not by way of criticism of the OPEC countries. It was exacerbated at the time because of the embargo aspect related to the Arab-Israeli war, but don't think for a moment that was the cause of the increase in the oil prices at that particular time. It

is quite clear that the price of oil as set by the OPEC countries, and as agreed to and parallel with the interests of the seven major oil companies, is the price which determines a substantial part of the price of crude oil in the world economy. I'm not suggesting it isn't, but it's their price and we must understand the nature of that price as it was set, and we must understand the relationship of the oil companies to the countries operating the OPEC scheme. Because if we don't understand that, we can't possibly answer the right questions.

Let me put the most up-to-date information that I have on to the record—not for the purpose of total exactitude but for giving some indication to the government of the magnitude of the seven oil companies in the world distribution of crude oil. And let me then try, if I can, to show that what has taken place in the changing relationships between the oil companies and the producing countries in OPEC, let alone their relationship elsewhere.

If you rank the 15 largest corporations in the world by way of assets, you will find that Esso, as we know it, or Exxon, is the largest corporation in the world, ranked by assets. Shell Oil is the second-largest company. Texaco is the fourth-largest company. Gulf is the seventh-largest company. Mobil is the eighth-largest company. BP is the 11th-largest company and Southern California is the 12th-largest company. That's rated by assets.

If you rate them by their sales, Exxon is the second-largest company, Shell is the fourth-largest company, Mobil is the eighth-largest company, Texaco is the 10th-largest company, Gulf is the 12th-largest company, Southern California is the 14th-largest company and BP is the 15th-largest company.

Let's set aside the so-called "known" giants in the other fields, General Motors, Ford, IBM, ITT—those particular companies—and you will get some conception that you are talking about the largest and most influential and most powerful corporations in the world, which until 1970 ran the oil industry of the world and still run the oil industry in the world, as I will try to indicate, despite the changed relationship which they now have with the countries in OPEC. Because I assert categorically that the seven oil companies, along with the countries forming OPEC, want the price to remain high and stable, and they are in agreement that that is what will happen and that is what is taking place.

In 1972, just before the dramatic quadrupling of the price that the OPEC countries

were charging for their crude oil on the world market, those seven companies controlled 40 per cent of the US production, they controlled 77 per cent of the OPEC countries' production, and on a world basis excluding eastern Europe and China, they controlled 70 per cent of the world's production.

That is the magnitude of what we are talking about when we talk about the right questions about what can or should be done about this particular problem.

I think it is worth while to review very briefly the change which has taken place and to capsulize it, and, without pretending to be an economist, I simply say that the world had lived with a cartel for a long period of time. The difference now is that they are dealing with the OPEC countries which are operating what this government calls and what everybody would call something like a near-monopoly, and it is only within that near-monopoly of the OPEC countries that there is any minor competition between the seven large oil companies. The price is being fixed—not artificially; arbitrarily maybe, but not artificially. The price is being fixed for the oil which comes into Montreal from Venezuela, as one of the OPEC countries, as well as it is being fixed by the other countries forming part of OPEC, at a level at which they know they can sell their oil in the world market.

I noticed in the statement of the minister that he talks about The Economist's forecasts which said at the beginning of 1975, "Instead of the shortage of 1973 the supply of oil is so great that there is going to be a glut on the market," and, The Economist pointed out, the price will drop.

Now, the funny thing is the price didn't drop.

Hon. Mr. Timbrell: There is a surplus now.

Mr. Renwick: Yes, I am saying that. There is a substantial surplus of oil in the world market today but it is not moving on to the market at other than that price because, despite Milton Freedman and those people who admire the free market system and the free enterprise system, when they all thought it was going to drop, it didn't drop.

Hon. Mr. Timbrell: I didn't argue that.

Mr. Renwick: I didn't say the minister did, but he quoted The Economist because he wanted to use this bogy of whether the price was \$7, 10, \$20, \$50, or \$70.

I want to tell the minister that they operate within a very real world in the OPEC countries, a lot more real world than we're operating in at the present time, and their price at this point in time is about four times—if you recall, for practical purposes, the price went up by four times in two months. There has been a lot of talk ever since about whether it was going to break, whether the cartel could maintain its position—that is the OPEC countries—what the relationship of the oil companies would be to it.

The fact of the matter is that oil is priced, and will be priced, at the price at which it can be put on the market of the world under whatever the rationing system may be by which they cut back production that will maintain that price. That will be a price which is under the price at which we can develop the resources of the frontier in Canada, whether they be oil or natural gas or synthetics. That price today is under any projected price which we can posit for the future to try and match in any way by supplies from our frontiers with available cost of energy at something below the so-called world price of oil at the present time.

It is interesting that the minister in his statement admits that. He admits that his blended price policy may very well mean that at some point in time the Canadian price—if I can so call the result of his blended price—will be higher than the world price. Well, all right.

Hon. Mr. Timbrell: No, I didn't say that.

Mr. Renwick: I didn't say you said it, I said you admit the possibility that that would be so.

Hon. Mr. Timbrell: Mr. Speaker, on a point of order. Just to clarify this for the hon. member for Riverdale, what I said was that some elements of the blending could in fact be higher than world prices—that in fact when the Syncrude plant comes in or when the Mackenzie Delta supplies come in that prices could, in fact, be higher, but in the blending, with the various levels of price, imported old and new, there is a relationship to cost and that one of the principles, of course, would be that that stay below the American price anyway.

Mr. Renwick: All right, whatever the mixture is, the fact of the matter is that the minister is quite certain that at some point the so-called Canadian component of the blended price, whether it is old oil or new oil, whatever he wants to call it, the fact of the matter

is that his policy concedes that that price will go substantially above the world level. But it will still maintain, if he blends in the world price, a price lower than the world level, so that there will still be an advantage.

Hon. Mr. Timbrell: Because of the old oil price.

Mr. Renwick: Yes, because of the old oil price. The minister is saying within a very constrained world that he doesn't think our Canadian price under his blended formula will ever go higher but that it may very well so far as its Canadian component is concerned, be substantially higher than the world price. The only advantage we will have is the old oil price. All right, we can discuss that at some other time.

The Ontario proposal might result in the per-barrel price of oil from costly sources exceeding the world price but because the "old" oil would be held to a lower price the Canadian advantage could still be maintained.

That is what the minister said.

Hon. Mr. Timbrell: The way to blend.

Mr. Renwick: That's right. That is mere speculation on the hon. minister's part because what will happen is that the OPEC price will become the price at which the OPEC countries can sell their oil on the world market in competition with any new sources of energy.

The reason why that is significant and appears to have escaped the minister is that we cannot, in Canada, afford the luxury of the kind of escalation of price to the world level—that is the OPEC price—and then say that we can, out on the frontiers, develop oil sufficient to give us a two-thirds degree of self-reliance or independence, and maintain a price for Canadian energy from oil and natural gas that will be less than the world price of the OPEC countries. Because they'll adjust their price every time to meet that problem.

I must say, I'm inclined to give the government of Canada some credit for recognizing that the myth of independence or self-sufficiency, as it was then called, is in fact a myth, that we are going to be a net exporter of oil or at least going to break even by either exporting and importing and there will be a balance. They come around to this new phrase called "self-reliance." They had to come around to that because in March of this year the United States, which first came out with the slogan of "Operation Independence," indicated quite clearly that they have im-

ported, for the first time in their history, more crude oil than they have produced.

They have also indicated quite clearly that on the new oil formula—and I am not equating the minister's new oil pricing mechanism to the United States' pricing mechanism at all—in 1974, when they went to the new oil theory, with all of its variations, that the production in the United States dropped by about 600,000 barrels per day and that for practical purposes no additional exploration and development took place. The reason it doesn't take place—and perhaps the minister will never understand and perhaps the government will never understand—is that the decision about the extent to which the major oil companies will engage in exploration and development work, in Canada, on the frontiers, will not be determined by the extent to which they share in the price increases which this government and the federal government aid and abet—the provincial government in Ontario with their rationale, the federal government from the point of view of the conference next week, with their rationale.

[5:30]

The minister is not going to get the exploration and development he wants because the interests of the oil companies at the present time are parallel with, coincide with and are supported by the OPEC countries. Mutually they support each other. The only problem the OPEC countries had was to agree among themselves where the cutbacks would take place in their production in order to maintain the production at a low enough level to maintain the price which they had fixed. Of course, lo and behold, they found the oil companies, owning and controlling the distribution system, were the ones who decided that they would distribute and allocate the available resources among the customers in the world and maintain that price.

One of the "Catch-22" arguments with which we are faced in the energy field is that, in some way or other, unless the price is high we can never bring expensive forms of energy on to the market. Therefore, you must have a very high price which is paid to the oil companies for their basic commodity of crude oil and you must keep paying a higher and higher price otherwise they will never have the incentive to go out and get this expensive energy. The catch, of course, is that whether it is produced from the Arctic tar sands or from shale rock or from any other source, whether it is synthetic or indigenous in the course of time, either in Canada or in the United States, it will only become economic to get it at the point in time when the price of crude oil has

been allowed to go to an exorbitantly sky-high level.

We can't get away from that and I don't underestimate the problem but we are certainly not going to come anywhere near solving it by this response—that's all I dignify it as—of the Ontario government to the federal government's programme, which is this blended price formula which will result in a \$1 price increase instead of a \$2 price increase.

Hon. Mr. Timbrell: Nineteen cents.

Mr. Renwick: All right. That is on the example the minister used and I know he carefully refrained from indicating that it is a forecast and so on. That is what it is, \$8.94 as I read his report, as against \$10.

Hon. Mr. Timbrell: Compared to \$8.80 at present.

Mr. Renwick: Yes, that's right.

Mr. S. Smith: Toronto price; only 14 cents.

Mr. Renwick: That's right. What I want to try to say to the minister is—let me deal with an aside.

I am not going to deal with the natural gas price. I don't pretend to know all the intricacies of it. Let me make a couple of points about what little I do know about it. One is there is no living reason why there should be any indexing of the natural gas price to the crude oil price let alone the minister's statement, "We mustn't let it go above 85 per cent." I don't know why there wasn't a categorical statement by the minister, at least as part of an intransigent policy with the federal government, on this issue, that there is no relationship other than the fact that the major oil companies control the great part of the natural gas resources of the Arctic gas fields.

Hon. Mr. Timbrell: We opposed that at that time.

Mr. Renwick: I know you opposed it at that time, but I think it is time the government categorically made the point in Ottawa that it doesn't believe in the relationship between natural gas produced in Canada and the price of crude oil which is determined by a great number of other factors one way or another.

Mr. Speaker: Order, please; may I inform the hon. member he has two minutes left.

Mr. Renwick: I have two minutes left? Let's go on after 6 o'clock; after all this is

an important matter. We had two hours' notice of the debate the other day; surely we can speak a little bit about it? I can't finish my remarks in two minutes but I will try to be as polite as I can.

Mr. Speaker: All right. For clarification, I say that I understand there is general agreement among the three parties to each use up one hour and we are just trying to keep within those confines. It is not my ruling; it's the House leaders'. Thank you.

Mr. Renwick: As always I will try to agree with the matter but I trust you don't expect me to complete my remarks in two minutes.

Mr. Roy: Do you people stand by an agreement or don't you?

An hon. member: Go ahead.

Hon. Mr. Timbrell: I wouldn't have been so brief.

Mr. Speaker: I am sure the hon. member can work toward that end, please.

Mr. Renwick: All right. Let me try to reorganize the—

Mr. Nixon: It's not two minutes now.

Mr. Renwick:—few thoughts I was going to try to put in as usual, and compress them within the two minutes which are available to me. I hope we won't count the time of the Speaker's warning to me in that two minutes.

If the minister is serious about what he's doing, he's got to understand that it isn't just the consumers in the Province of Ontario who get hurt by any proposed increase in the price of oil. The places that really get hurt are the non-industrialized countries of the Third World. If this government really wants to understand the problem it had better start looking at it from that perspective.

We in this party think that going into this particular bargaining session—we can't dignify it as anything other than that; it should be dignified in some other way, but we can't—the minister should be intransigent. We agree with members of the Liberal Party and the Conservative Party that the time has come that, subject to whatever variations for transportation costs there may be, there should be a single price across the country. Then all oil to us is old oil; the oil which is imported is where the blended price should come. The Borden line should be dismantled as quickly as possible and the flow, if neces-

sary, should be reversible across the country. That part of it's quite all right.

But we insist that the minister cannot play the new oil price game. If the minister will allow me to say, even he admitted that trap. He is not only saying one new oil price, he's saying the possibility of a series of new oil prices. That's just an absolutely wonderful understatement of our concern expressed in Tory terms. The method of checking the veracity of reports from refiners is of some concern. However as ESAB has been performing this function for some time, it is assumed that the capability is available. It is also assumed that the expertise of ESAB in correlating crude oil quality differential is adequate for the purpose of the blended price system.

Mr. Speaker: I'm sure the hon. member's time has expired.

Mr. Renwick: Let me say, Mr. Speaker, if I may, we disagree with that. I think the minister disagrees with that. I don't think he can transform his proposal for pricing in the Province of Ontario in those terms. I think he has to understand very clearly that the kind of protection the consumers here in Ontario and across Canada have—in the face of the production of crude oil in Canada and elsewhere and the price we're going to pay for it—is dependent on government intervention.

Mr. Speaker: Thank you.

Mr. Renwick: It's dependent on an understanding by this government that it cannot understand what's taking place if it thinks there's an element of competition between the oil companies in Canada, or it permits them the joint venture route, or permits them to exploit the resources which are available. Whether the minister likes it or not, and we've spoken about it before, the difference in the OPEC countries is that they now own the resource. One of these days we're going to have to understand that to get the maximum benefit for us in Canada and the fairest benefit, we're going to have to own those resources and determine the terms and conditions under which they're exploited.

Mr. Speaker, thank you for your courtesy.

Mr. Reed: I will do my best to stay within the time constraints, so if the minister is interested in these remarks I would ask him to listen very carefully.

We're here to endeavour to help the minister bring as much new thought as possible to a very difficult problem. Looking back on

our use of petroleum resources, we see with alarm that 100 per cent of our oil will be consumed on this planet in a span of time that represents about one-thousandth the time man has been on this earth. And when it is finished there will be no more.

On the other hand, at the present time we have a good supply of petroleum on stream and will continue to have for at least the next decade.

It seems to me there are two challenges which face this government: One is to try and spread the consumption of this finite resource over as long a period as possible and do so without waiting until the end of the easily available petroleum. This would be an event which would throw a wrench into the economy of Ontario as no other. The other challenge is the generation of longer term supplies of energy. It seems to me the two factors must be recognized.

Firstly, since we are an energy-deficient and energy-intensive province, any policy or stance adopted by this government should support the development of the new supplies. The other, of course, is that since we recognize that this resource is finite, that the resource is not found in abundance in this province, we should immediately begin to look at the alternatives.

The alternatives available to Ontario lie in technologies that are in their infancies at the present time. I refer to the whole field of renewable resources. Are we going to wait until our economy is so run down by the high cost of petroleum that we must then begin to develop the field of renewable resources? The government must realize that in a province that imports 80 per cent of its energy requirements, our long-run future lies in renewable resource development, and that when increases in the price of petroleum are made, a designated portion should be awarded to that development.

I would urge the oil companies to consider this as a new kind of exploration, one with a guaranteed result and one which could ensure their prosperity in the years to come. I do know that some of these companies are doing renewable resource development work in other countries of the world. I urge the Minister of Energy (Mr. Timbrell) to understand that it would be far healthier for the Province of Ontario to have the money spent right here, since I am convinced that the renewable resource industry will have a future which rivals the automotive industry today. We must take steps to ensure that the profits from Canadian energy resources are invested in Canadian development of renewable energy

sources. I support my party's position that further increases should be allocated in the areas of exploration and renewable development.

The government's proposal on blended pricing does nothing to ensure long-term supplies for the Province of Ontario. The minister has not told us how he's going to secure the co-operation of the other provinces. On the surface, the plan may have some expedient political qualities, but I sincerely ask if it is not, in the long run, irresponsible.

In the area of renewable resource development the federal government's performance to this date has been weak and pathetically underfunded. The provincial government's performance in this area has been disastrous. How can we, in the province of opportunity, continue to ignore the reality of our energy deficiency?

Finally, may I mention the subject of conservation, since I feel that it relates directly to petroleum. What are we doing in the Province of Ontario to conserve this non-renewable resource? As far as the general consumer is concerned—that is the householder, those people outside of industry—the only thing we've done is to remove the sales tax from insulation. We still license our automobiles according to the number of cylinders instead of according to their weight. We appear to have no plans in mind for, for instance, assessment relief for those people who wish to install solar components in their homes. We are not making a job of educating the public, either with the realities that confront us or with the opportunities and the alternatives that are available.

Finally, let me say that we are still, in terms of petroleum, drawing on our capital, capital that earns no interest. We do not know how much longer we can draw on it until it runs dry, but we do know that it will come to an end. To allocate some of this cost for the development of renewable resources would make that depleting capital earn interest for us, and in so doing, be the means of generating new wealth and new prosperity. I urge the government, through the Ministry of Energy, to come to that realization now. Thank you.

[5:45]

Mr. Ruston: Mr. Speaker, I'd just like to speak briefly on this matter. As we are all aware it's a very serious matter throughout Canada at this time, and especially in the last three years when the world's large exporters of oil decided to raise the price.

There was some talk at that time that some of the Arab people went out to buy wheat and they found that the price had gone up to \$5 a bushel from about \$1.80 of the year before, so they went home and thought they better start raising the price of their oil.

I don't know if there is really too much of that but that was what they classified as the world price of wheat, \$5 a bushel, so they thought that oil should be \$10 or \$11 a barrel at that time. It did throw a great deal of stress on many countries of the world as well as our own.

Of course, in Canada, we decided a number of years ago that we should use the resources in Alberta. I can recall being in Alberta in 1939 when the Turner Valley fields opened up and there wasn't any oil in the Edmonton area. I hitchhiked a ride on an empty gas truck from Edmonton to Calgary to get supplies, so at that time there wasn't any flowing even around the Edmonton area. Very shortly after it did open up.

Canada felt, of course, that Alberta's resources should be used. In effect we used the Ottawa Valley as a dividing line; to west of that line all our supplies would come from Alberta and to the east we would import oil. For many years, I suppose, we could have imported oil cheaper than what we paid Alberta, but since we should support Canadian industry and Canadian resources, it was a feeling that we were doing the right thing.

After helping Alberta for many years to become a great "have" province—and, as was mentioned earlier, many people would like to live in Alberta because of the richness of the province—now we find that they are wanting to kind of give us a little, well I won't use the word, but you know—

Mr. Nixon: Screwing?

Mr. Ruston: —they are kind of taking us down the line as far as the price goes, since they have seen what the Arab countries and Venezuela and countries like that are now asking for oil.

On the other hand, we don't think that people in Nova Scotia or New Brunswick should be paying \$1.30 a gallon for gas, when we are paying maybe 75 cents here. It's a large country and we have to look at some things. This, of course, was a rationalization of the federal government in assessing the 10 per cent excise tax on gas which we have now, plus the large amount that they tax oil going out of Alberta into the United States for export and so forth. Bringing up the Canadian prices to what we classify as so-called world price—I suppose

the world price is whatever the traffic will bear—is a matter of whether one can even rationalize in any way that our price should be at that level. I don't think we can.

Mr. Speaker: The hon. member has 30 seconds.

Mr. Ruston: No, I think I understood, Mr. Speaker, I had seven minutes.

Mr. S. Smith: Renwick took four of those minutes.

Mr. Speaker: We are just trying to divide it out evenly.

Mr. Ruston: I thought Mr. Renwick's time would go on after 6, and see, he didn't have the approval of the House to do it.

Mr. Speaker: I will give the member an extra minute or two here.

Hon. Mr. Henderson: Thirty seconds has now gone; a minute and a half.

Mr. Ruston: The key thing here that no one has mentioned very much, but which I want to mention, is that the Conservative Party in Canada has never made a policy on oil. The present leader has never said a thing about prices of oil and natural gas; he has kept his mouth shut all the time.

Mr. S. Smith: That's right, strangely silent.

Mr. Ruston: So he bows to Mr. Lougheed. He bows to Mr. Lougheed and says nothing.

Interjection.

Mr. Ruston: We should have had a debate in Ottawa to see where those fellows stand down there. That's why the government members are kissing cousins and so forth; they have problems with them and Lougheed. And Mr. Clark—where does he stand?

Mr. Reid: He is a junior Arab, is what he is.

Hon. Mr. Timbrell: Where do you stand?

Hon. Mr. Davis: Mr. Speaker, I will try to live within the 11 minutes that I understand was left for the government.

Mr. Roy: It takes you that long to say hello.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I will attempt not to be provoked by any of the last utterances and try and deal basically with some of the—

Mr. Ruston: Point of privilege, Mr. Speaker. I don't want to interrupt the Premier, but I adhered to your request, I was allowed seven minutes. You told me I couldn't have it. Now the Premier says he is allowed 11; that was what time he had left.

Mr. Speaker: No matter what way you put it, there are only 60 minutes in an hour.

Mr. Ruston: I hadn't much to say but the previous speaker from Riverdale used more time than was allotted to him, and I object.

Hon. Mr. Handleman: Have all your communications broken down over there?

Mr. Speaker: Actually, you may just quickly answer the hon. member. This is two minutes over the time which was marked by my predecessor in the chair, so we're about even. The hon. Premier.

Mr. di Santo: Nine minutes.

Hon. Mr. Davis: Mr. Speaker, I should at the outset express my apologies to the leader of the Liberal Party for not being here at the outset of his contribution. I would observe to him something which perhaps is known by his colleagues—I am able to listen to him. Unlike being at the Windsor Badminton and Racquet Club, I do have communication here with the House and I can hear what contribution was made.

I think it is fair to say that as I listened to these observations this afternoon—

Mr. B. Newman: Now you know why you don't have a member for Windsor with comments like that.

Mr. Ruston: Where is your member for Windsor?

Hon. Mr. Davis: —the observations made by the member for York South (Mr. MacDonald) were predictable and they were consistent. They were traditional. The basic philosophy there, I think, is evident. It's something on which we basically disagree and I don't think I have to deal any further with that issue. I did appreciate the constructive way in which he presented them.

The member for Riverdale (Mr. Renwick) has a fairly substantial grasp of this issue but, I say this respectfully, I don't think he totally understands the proposal. It is the only proposal made by any government, I should mention to all members of the House, with some form of mechanism for dealing with oil and natural gas pricing. We've been in this position now for three years.

It was the government of Ontario which first brought this to the attention of the people of this province and to the government of Canada. We have sought some formal mechanism to deal with this over the period of the past two years and we have had no response from any other government of Canada, including the members' close friends at the federal level. I find this is one of the most regrettable portions of this whole exercise this coming Thursday.

Mr. Roy: What about your friends in Alberta?

Hon. Mr. Davis: Once again, we are going to the nation's capital. We will have a delightful luncheon with the Prime Minister and the other provincial Premiers and that group will be responsible for discussing a very important matter for consumers and the economy of Canada generally. I think it is very regrettable—

Mr. S. Smith: If you are going to keep on talking about our friends in Ottawa, why don't you talk about your friends in Ottawa?

Hon. Mr. Davis: I would say to the leader of the Liberal Party that it is fine to make fun of the only constructive proposal which has been made.

Mr. S. Smith: You are right.

Hon. Mr. Davis: But (a) he doesn't understand it and (b) hasn't given it any thought. His proposals this afternoon which, I have to say, are in contradiction to those of a guy who's given some thought to this matter—the member for London Centre (Mr. Peterson)—to me, were totally contradictory and without any degree of a practical approach.

Mr. S. Smith: They are not a contradiction.

Hon. Mr. Davis: Do you know anything about NASA? You say we should have something comparable to NASA. I haven't heard a more ridiculous suggestion in this House. NASA functions as an agency of the federal government of the United States. It has nothing to do with the state; nothing to do with any sort of priority setting or anything else. I couldn't understand it. It was beyond me.

Mr. S. Smith: Of course, it is beyond you.

Mr. Roy: It is not the first time you have failed to grasp issues.

Hon. Mr. Davis: Maybe my mentality isn't up to that of the leader of the Liberal Party—

Interjections.

Mr. Speaker: Order, please. The hon. Premier has the floor.

Hon. Mr. Davis: —but I got the impression that there is a policy in London Centre, where there is some understanding of the private sector, which is totally disregarded in Hamilton West. It's the only way one can read it. It is fine to get up and say that's a kindergarten document—

Mr. S. Smith: That's what it is.

Hon. Mr. Davis: —but the fact remains that our neighbours to the south with some alterations—and I'll recognize the mechanical difficulties inherent in any blending proposal—are operating today with a form of blended price which is giving them a lower domestic price than we have in this country at this precise moment.

Mr. S. Smith: That's both false and incorrect.

Hon. Mr. Davis: The great problem in all of this, Mr. Speaker—come on. Let's be realistic; let's be practical.

The solution for this problem lies directly in the control of the federal government of Canada. It has not exercised the degree of responsibility required. It has no policy. There is no mechanism.

I will be going there Thursday and I will be suggesting our formula as at least something the people of Canada could understand; there is some degree of rationality. We will not be supporting an increase in price.

The member didn't even touch on natural gas. Does he know what that means? Does he know the question of indexing at 85 per cent? Does he know what this means to the consumer if this goes up? Not only to the consumer but to the industry based on this? Does he know the impact of the policy decision made by the federal government two years ago or a year and a half ago?

Our industry today is paying a higher price than industry in the State of Michigan which is in some instances, using Canadian natural gas. Let the member explain that to me. We opposed this vigorously a year ago. We didn't hear much from those people over there. We heard from them in a totally—

Mr. Roy: Have you talked to Loughheed?

Hon. Mr. Davis: —non-practical sense, I must add. Totally non-practical.

Mr. Martel: We're always practical.

Mr. Mackenzie: Totally practical.

Hon. Mr. Davis: All I say to the members opposite is it's fine to belittle the position being taken by the government of Ontario, but it is the only constructive proposal that has been made in this whole basic issue. And it was this government that first drew the attention of the federal government to the issue. We said these things three years ago. I could take verbatim some of the things said in the House here this afternoon and I can show you where they were said three years ago in this House; three years ago in this House.

Mr. S. Smith: Why didn't your federal party draw their attention to it? Why didn't the federal party do it?

Hon. Mr. Davis: Let's be very realistic. We're going to Ottawa on Thursday at noon. There is no constitutional or legal way to—It's fine for the leader of the Liberal Party to say, "Nothing more for the producing provinces." Great! We said that a year ago. Give us something new, something constructive, something tangible.

Mr. S. Smith: Well, this is pretty new. Now you are giving them money. Don't increase the wellhead.

Hon. Mr. Davis: It may come as a bit of a shock to the member but the fact is this Legislature doesn't have the competence to say that the people of Alberta will not have an increase in royalties. That may come as a surprise, but it's factually true.

Mr. S. Smith: Don't increase the wellhead price—that's all. Because the wellhead price goes to the province and to the companies.

Hon. Mr. Davis: I want to just put one or two other points on the record, not to be controversial at this moment.

Mr. S. Smith: Not you! Never!

Hon. Mr. Davis: No, I'm putting this in a general context. I suggested this debate because I thought it might be helpful if we could—and I didn't really think we would—get some degree of consensus here as to the position Ontario might take.

Mr. S. Smith: Sure, that's the reason for the debate.

Hon. Mr. Davis: I respect, I understand, I disagree with the point of view of the members opposite, the official opposition. They have no faith in the competence of the private sector. Fine. Here we totally disagree.

Mr. Warner: What are you saying?

Mr. S. Smith: Don't you play dumb. Good type-casting, but don't do it.

Mr. Speaker: Order, please.

Hon. Mr. Davis: I can't analyse, I really can't, the position of the Liberal Party.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Davis: What I am saying is this: Ontario has always played its role in Confederation. The part that gives me concern about these discussions on Thursday is the fact that they are related, and very basically related, to the whole question of equalization, the whole question of fiscal sharing, fiscal transfers, and that for this issue to be treated separate and apart from those other major discussions that should be going on at this precise moment, to me, is very regrettable.

Mr. S. Smith: I agree.

Hon. Mr. Davis: But I can assure the members of this House that I have, along with my colleagues, always taken the position, that, in terms of the economy, last year was no time for a price increase. Didn't hear it too much from over there. Last year was no time for an increase.

We are interested in the consumers. I don't agree with the member for Hamilton West that there is an inevitability to a major increase in the price of oil and natural gas. I happen to agree with the member for Riverdale that we're talking about an international cartel.

Mr. S. Smith: It's going to fall apart, I suppose, just because you say so.

Hon. Mr. Davis: It's great to say that our formula won't work—to pooh-pooh it. I would say to him with respect: It's probably the only constructive proposal that's been made. But, we're prepared to make, in this province—

Mr. Roy: You are repeating yourself now.

Mr. S. Smith: The cartel will fall apart because you say so.

Hon. Mr. Davis: Listen, I say to the member for London Centre: We know the other provinces, some of them, won't like it. We know the federal government won't like it because it doesn't solve their financial problems. We know the companies don't like it

because of the cash-flow difficulties, which we think can be overcome.

Mr. S. Smith: It is not their problem. It is the country's problem.

Hon. Mr. Davis: So we know why they will oppose it, but that doesn't mean that they're right and we're wrong.

Mr. Peterson: The trouble is, it won't solve industry's problems.

Hon. Mr. Davis: I say, with respect, if you'd studied carefully, there is the germ of a formula idea there that makes practical sense—

Mr. S. Smith: I hope it's not contagious.

Hon. Mr. Davis: —but whether it does or not will not be totally up to this Legislature or to the Premier.

Mr. Reid: Now I know where you were getting your research from—germs.

Hon. Mr. Davis: The one thing that we will continue to support in terms of this country, because it is something of a national issue and we in this province are prepared to make some degree of sacrifice in the national interest: We support equalization in terms of price across Canada, but at the same time I reiterate that we do not comprehend or understand the lack of federal programme, the lack of initiative and what has not happened in the past two or three years.

Mr. S. Smith: In either party. In either party. Be honest!

Hon. Mr. Davis: I'm not here to defend or promote the Progressive Conservative Party of Canada.

Mr. S. Smith: Then why are you always attacking us as if we're the government of Canada.

Hon. Mr. Davis: If the member for Hamilton West wants to continue to defend the government of Canada, then be my guest.

Mr. S. Smith: You are attacking. You are doing the attacking.

Hon. Mr. Davis: I will not, I shall not. That is the position I will take Thursday afternoon.

Hon. Mr. Welch: Mr. Speaker, I assume that since the time has now expired, this particular order can be discharged from the order paper.

Mr. S. Smith: So is the government.

Mr. Speaker: Yes. This order is discharged now.

Hon. Mr. Welch: Mr. Speaker, tomorrow we will go to the order paper and consider the legislation, starting with the rent review

legislation. Then tomorrow evening we have budget debate.

Hon. Mr. Welch moved the adjournment of the House.

Motion agreed to.

The House adjourned at 6 p.m.

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Legislature of Ontario Debates

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 4, 1976

Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

TUESDAY, MAY 4, 1976

The House met at 2 p.m.

Prayers.

Mr. Speaker: Statements by the ministry.

FEES FOR FOREIGN STUDENTS

Hon. Mr. Parrott: Mr. Speaker, I would like to announce to the House today, a new policy which will be adopted by this government regarding fees paid by foreign students in the Colleges of Applied Arts and Technology and the provincially-assisted universities.

In recent years there has been mounting public concern regarding the cost to the Ontario taxpayers of educating foreign students in our post-secondary institutions. Furthermore, I am sure the hon. members are well aware of this government's concern to restrain the growth of government expenditures.

Under these circumstances we have re-examined the costs to society of educating foreign students in Ontario and have concluded that the proportion of these costs borne by the Ontario taxpayer should be reduced.

At the present time, under the university operating grants formula, all students enrolled in a given course pay the same fee, which is approximately \$585 per two-term academic year. We intend to increase the formula fee applied to foreign students to \$750 per term or \$1,500 per two-term academic year for all university programmes. The formula fee applied to students registered for three consecutive terms would be \$2,250. I have asked the universities to pass on the effects of the increase in formula fees to the students concerned.

In the Colleges of Applied Arts and Technology, all students currently pay the tuition fee of \$250 per two-term academic year. I have instructed the colleges to increase fees for new foreign students to \$750 per two-term academic year.

The change will take place in the colleges in September, 1976. It will be applied to the universities in January, 1977.

The new policy will apply only to foreign students beginning programmes for the first time. Foreign students who have completed one or more terms will continue to pay the same fees as Canadian citizens and landed immigrants. This situation will continue until January, 1980, or until they have completed their current programme of studies, whichever comes first.

The change in policy for foreign students will have no impact on the fees paid by Canadian citizens, nor will it apply to landed immigrants whose status reflects a commitment to Canada which we recognize and respect. It will have no impact on fees paid by students from other provinces of Canada whose fees will continue to be exactly the same as those for Ontario residents.

Other groups exempt from the new policy are the dependents of people such as diplomatic and consular officials admitted to Canada under section 7(1)(a) of the Immigration Act and dependents of people admitted to Canada for the temporary exercise of their profession, trade or occupation under section 7(1)(h) of the Act.

This new policy is not intended to recover for Ontario the full costs of educating foreign students. However, it establishes in the province a situation similar to that faced by many Canadian students studying in other countries. In publicly funded post-secondary institutions in the United Kingdom and the United States, for example, Canadian students pay higher fees than citizens of those two countries but are not generally asked to meet the full costs of their education.

Practices with respect to foreign students attending institutions in Ontario are a complex issue. In formulating our proposals, we have had substantial discussions with the federal Department of Manpower and Immigration.

In view of the circumstances I have outlined, I believe our new policy is a reasonable and realistic step for the government to take at this time.

Mr. Speaker: Oral questions.

The hon. Leader of the Opposition.

SPADINA EXTENSION

Mr. Lewis: Mr. Speaker, I am hoping that the Premier (Mr. Davis) or the Attorney General (Mr. McMurtry) will come in. Until then, could I ask the Minister of Transportation and Communications a question initially, please?

Is the Minister of Transportation and Communications willing to respond positively to the urgent and desperate request put to the government by the city council of Toronto, that if the proposed plan for paving the Spadina ditch to Eglinton is not itself stopped by the government, that it cease with finality at Eglinton Ave., either by the province taking over the right of way and land south of Eglinton to assure, in perpetuity, that the arterial or expressway route will never run farther south, or by building a park-and-ride facility of a kind that would also preclude Spadina running farther south? And will the minister hold off anything until he has met with council?

Mr. Singer: Where is the member for Downsview (Mr. di Santo)? Is he out today? And where is the member for Yorkview (Mr. Young)?

Hon. Mr. Snow: Mr. Speaker, there are several parts to that question, as I recall it. First of all, I have had no correspondence or visits from Mayor Crombie or any of his members of council or from the city officials. All I know of what the member speaks about is what I have also read in the press. Until I get something official from the city, until I see it in writing what they are proposing, I will not be giving any serious consideration to the matter.

Secondly, I would have to say that the paving of Spadina is a matter being dealt with by Metropolitan Toronto. My involvement with that is the agreement—

Mr. Roy: That's what the Premier said before.

Hon. Mr. Snow: —to pay the subsidy on that contract. The other matters I'll deal with as soon as I get the correspondence from the city.

Mr. Lewis: By way of supplementary: Does the minister not think that he's turning the Premier into the "expressway man of the year" by watching what occurred in Scarborough the day before yesterday, where a nine-mile right of way for an unnamed transit corridor was approved, setting the stage for one of those nightmarish expressway interlockings of the 400, Spadina and Scarborough?

And will the minister not move in to stop it now?

Hon. Mr. Snow: Again regarding the land acquisition in Scarborough, my total information on that matter happens to be through press clippings. We certainly have had no request from Metro—to my knowledge anyway, it has certainly never come to my attention—for any funding, nor have we agreed for any funding for that project.

Mr. Reid: I'd like to ask the minister, because the Metro chairman seems somewhat confused, if his commitment still holds true on the park-and-ride facilities; I believe it's to pay 75 per cent of the capital cost. And does his requirement that the park-and-ride facilities have to be completed at the same time as the subway still hold true, because it appears now that the facility cannot possibly be completed by that time?

Hon. Mr. Snow: Last autumn when I wrote to the chairman of Metropolitan Toronto, in my letter at that time was the commitment that we would pay the subsidy on parking facilities for Spadina—not only the parking facility at the northern extremity of Spadina, which has been the government's policy, but where a parking facility was built as part of the transportation facility at its terminus, then we would subsidize that. We expanded on that policy, as I say, for the Spadina subway. We would also subsidize parking facilities further south on that particular route. As of yet, we have no request for any allocation of subsidy for that facility.

Mr. Singer: Supplementary, Mr. Speaker.

Mr. Speaker: The member for Oakwood with a supplementary first.

Mr. Grande: As a supplementary to the Minister of Transportation and Communications: Would he be willing, since on July 8 the Premier promised that the Spadina expressway would definitely not go south of Eglinton—

Hon. Mr. Snow: I didn't catch the first part of the hon. member's question. Maybe he would start over again.

Mr. Grande: All right. In view of the fact that the Premier on July 8 promised that the Spadina expressway would definitely not go south of Eglinton, would the minister get or take from Metro the houses south of Eglinton and give them back to the borough of York and the municipality of Toronto, respectively?

Hon. Mr. Snow: That particular matter was all covered very explicitly in my letter to Mr. Godfrey last fall—

Mr. Lewis: You're copping out again.

Hon. Mr. Snow: —and I will get the hon. member a copy of that letter. It's all in there. There has been no change in policy since that time.

Mr. Speaker: Final supplementary; the member for Wilson Heights.

Mr. Singer: Thank you, Mr. Speaker. Would the minister advise whether or not this subsidy for parking garages south of the north terminus will be given, no matter where they are located, how expensive they are, and whether or not studies done in Metro indicate the usefulness of the park-and-ride facility? Or will the government be exercising some judgement and discretion, based on its own studies in relation to such requests?

[2:15]

Hon. Mr. Snow: I certainly did not or will not give any commitment that we will pay the subsidy—I think the hon. member put it very well—however expensive they may be, or whether they may or may not be needed. I think we have stated that we would participate in the subsidy. I have just withdrawn a copy of my letter that I have been carrying around since last Nov. 25; I think it was all stated in that letter. But I would have to agree with the hon. member that we are not going to subsidize a gold-plated, diamond-studded garage; it has to be something reasonable.

Mr. Reid: Supplementary.

Mr. Speaker: No, that was the final supplementary. The Leader of the Opposition.

PRIVATE LABORATORIES

Mr. Lewis: A question, if I may, to the Attorney General. Is the Attorney General aware that Detective Inspector Carl Manneke, of the anti-racket squad of the Ontario Provincial Police, has indicated publicly that he discussed with Dr. John R. Carlisle, who is attached to the College of Physicians and Surgeons as an investigator into the private labs, discussed with Dr. Carlisle the need for carrying a gun with him in the course of these investigations because of the questions that are raised by the whole private lab inquiry and controversy? In the light of what emerges, unhappily, day by day, is it not now time

for the minister, in the name of the government, to launch a full-scale public inquiry into the entire private lab network in this province, so that the public can be taken into his confidence?

Hon. Mr. McMurtry: I know the officer, Carl Manneke, but I was not aware of his concerns related to the carrying of a gun. It is certainly something that I will make further inquiries about.

From the information that I have on investigations that are currently being conducted in relation to the private labs, I am very much of the view that it is very much in the public interest that this matter be left, at this point in time, in the hands of the police. In my view a public inquiry would not serve the interests of the public, as it would interfere with what I believe to be an effective police investigation that is currently continuing.

Mr. Lewis: By way of supplementary, if I may: Since Det. Insp. Manneke also indicates in today's Hamilton Spectator, I believe, that while there is no concrete evidence of organized crime, there is a friendship between some of the people involved with labs and organized crime elements uncovered in a separate investigation, since this private lab stuff seems to have a never-ending, sordid component—some of which my colleague from High Park-Swansea (Mr. Ziemba) shared with Insp. Manneke yesterday in revealing his material to him—can the minister assure us that a public inquiry may indeed follow the OPP inquiry, once he has investigated the laying of charges?

Hon. Mr. McMurtry: As an individual minister, of course, I am not in a position to give any such undertaking. I can assure the hon. Leader of the Opposition that if I come to the view that it is in the public interest to have a full-scale inquiry, I will support such a position. But at the present time I am of the view that the public interest is being better served by the police investigation that will continue for the foreseeable future.

Mr. S. Smith: In view of the statement by the past president of the College of Physicians and Surgeons that this has gone way beyond anything that the college can handle, and in view of the minister's suggestion that the college and the OPP should continue the investigation, and taking Det. Insp. Manneke's comment that the growth in the use of these labs has been phenomenal in the space of four years—his figures show that it has gone from \$17.8 million to \$70 million in the space

of four years—then shouldn't the minister agree that the kind of information which I was able to put before this House, which was given to me by doctors who were approached by some unscrupulous labs, that such information will be more likely to be brought out at a public inquiry where ordinary doctors would then bring forward information which they wouldn't go to their local police station with? Can the minister not understand the need for a public inquiry at this time?

Hon. Mr. McMurtry: Mr. Speaker, I can assure this House that I have had a lot more experience in relation to public inquiries than the leader of the Liberal Party is ever likely to have, and I don't need any advice from him with respect to when it is in the interests of the public—

Interjections.

Mr. Singer: Shame, shame.

Mr. Speaker: Order please.

Hon. Mr. McMurtry: The truth of the matter is that he has demonstrated, and is continuing to demonstrate, a rather abysmal ignorance as to what is in the best interest of the public in relation to police investigations. I would like to think that some of his friends to his left could give him some assistance, but it seems to be unlikely.

Mr. Singer: What arrogance, what arrogance.

Mr. S. Smith: Sounds like a coverup.

Mr. Speaker: Order please. We are just simply wasting our time and the question period will not go forward until the noise ceases.

Mr. Deans: Supplementary: May I ask the minister, without trying to give the Attorney General any advice as to whether he should or shouldn't—

Mr. S. Smith: You will get a high-sticking penalty if you do.

Mr. Deans: —institute a public inquiry, wouldn't he think that when a chief inspector of the Ontario Provincial Police indicates that there is at least evidence of a relationship between the public labs and the underworld—

Mr. Lewis: Private labs.

Mr. Deans: —the private labs and the underworld—that in itself is reason to follow the public inquiry route, rather than to simply continue with investigation into something we've never been able to come to grips with?

Mr. Lewis: More likely to close the public labs.

Hon. Mr. McMurtry: As I indicated, Mr. Speaker, I certainly intend to pursue the matter that was raised by the Leader of the Opposition and the allegation that there may be some relationship with organized crime, and in that context, of course, the possibility of a public inquiry being in the best interest of the public certainly exists and will continue to exist. It is something that was just brought to my attention a few moments ago and, as I indicated to the Leader of the Opposition, I certainly intend to pursue that.

I just don't accept the suggestion that in every matter that involves a difficult problem and where there is public interest involved, the police are not better equipped to carry out their own investigation rather than going the route of a public inquiry, because it has been my experience that a public inquiry often impedes an effective police investigation. There are often people who are prepared to come forward quietly and discuss matters of controversy with police officers but are very reluctant to do so if they believe that they have to do it in the full public glare of an inquiry at that time.

Mr. Roy: Supplementary: Further to the Attorney General's response, and recognizing his status within the law and his expertise in certain fields of law, especially the realm of hockey violence and so on—

Mr. Speaker: Order please.

Mr. Roy: —may I ask the minister if he doesn't feel, as chief law officer of the Crown, that not only is there an importance here of perception by the public and that the investigation here involves a number of allegations which have been made, including certain functioning within the Ministry of Health, but that the public would be better served as a matter of perception by having a public inquiry?

Mr. S. Smith: You've known it for years, you know.

Hon. Mr. McMurtry: Mr. Speaker, there is nothing that I can say in addition to what I have already said in relation to that question.

Mr. Lewis: I think you are going to have to capitulate and you should do it in advance rather than on the retreat.

Mr. S. Smith: With grace. With grace.

Mr. Martel: Do it gracefully.

PRIVATE LABORATORIES

Mr. Lewis: A question, if I may, to the acting Minister of Health: Do I take it that the acting Minister of Health has now seen the article in the current Journal of the Canadian Medical Association dealing with the quite startling savings that are being achieved in the public in-common hospital lab facilities—the public lab's hospital facilities—in the Hamilton area; and, as part of this whole lab controversy, is it not now time to provide a reform of the fee schedule paid by OHIP and move significantly the work away from the private labs and into the public labs, so that the public at least can save millions while the ministry fiddles away with its police investigation?

Hon. B. Stephenson: Mr. Speaker, as the hon. Leader of the Opposition knows, I have stated at least twice in this House thus far that, in fact, the lab committees which have been established throughout the province are at this time investigating the scope and capacity of the various hospitals and public laboratories in order to direct more of the laboratory work into those specific labs, away from the private laboratories in the regions. That is the purpose of the action. It is going forward very well right at the moment, and I believe that it will move a significant amount of laboratory procedures out of private laboratories into publicly-owned facilities.

Mr. Lewis: By way of supplementary, since the minister knows, I guess since the days of Richard Potter and his lab bill in 1972, that the chief characteristic of the Ministry of Health has been immobility, can she not now introduce by legislation what she has failed to do by persuasion or by these committees or anything else, that is start taking the work obligatorily away from the private labs and moving it to low-cost, public centres?

Hon. B. Stephenson: If the hon. Leader of the Opposition will stick around for a while this afternoon, that's exactly the intention of our legislation.

Mr. Lewis: It's not what her legislation does.

Mr. S. Smith: Can the minister explain to us why it is that, after the cabinet approved the recommendation to call for tenders in the private laboratory services, it turned right around and decided not to go ahead with this? Now that the minister has seen this enormous growth of laboratory expenses over the years as a consequence of that, why will

she not act and move to the tendering system?

Hon. B. Stephenson: I have not been able to find the recommendation which the hon. leader of the third party keeps telling me does exist, but I have found a recommendation made by the task force on laboratory services, on which Dr. Kinloch was not the chairman but was in fact a consultant to the committee. The recommendation of that committee is that "too many technical problems exist to introduce a universal tendering system of payment for laboratory service." That was in 1972. I shall be very pleased to submit that to the leader of the Liberal Party in the Province of Ontario.

I would remind the leader of the Liberal Party that one of the major problems in laboratory services growth over the past four years has been the increasing dependence of members of his and my profession upon laboratory tests in place of the use of the cerebral function of the physicians to make diagnoses. When we manage to teach some of the medical teachers, sir, that we do not need to depend upon laboratory testing in order to make a reasonable diagnosis we shall have achieved much of the purpose in decreasing laboratory costs.

Interjections.

Mr. Mackenzie: Supplementary: Given the substantial savings documented in the report on the public hospital labs in Hamilton and their stated ability to handle a much heavier load, why was the budget limited to a 10 per cent increase for supplies and 8 per cent for salaries?

Mr. Lewis: And 41 per cent for the private labs.

Hon. B. Stephenson: I do not know that it has been increased by that amount to the private laboratories. However, under the constraint programme which is in effect for all public health systems within the Province of Ontario, those are very reasonable figures.

Mr. Cassidy: For the private sector, eh?

Hon. B. Stephenson: We are attempting to go almost the same route which that article suggests, including within the scope of the hospitals and public lab facilities more of the testing which is to be done upon Ontario patients.

Mr. Lewis: I have one last question, although everybody's lecturing us so fiercely today that I'm almost hesitant to ask it.

Interjections.

Mr. Lewis: These labs are a millstone dragging the minister down, aren't they? Why doesn't she do something about it?

KENORA CHILDREN'S AID SOCIETY REPORT

Mr. Lewis: I have a question for the ultimate student of them all, the Minister of Community and Social Services. May I ask him, has he seen the anxious and striking report from the Kenora Children's Aid Society, documenting the problem of children and juveniles in northwestern Ontario and requesting immediately some kind of detention or group home facility to deal with the deterioration?

Hon. Mr. Taylor: Yes, and we are reviewing that situation and it is being given our immediate attention.

Mr. Lewis: Thank you. By way of supplementary, since a number of groups participated in the preparation of the document, including representatives of his own ministry in the northwest, I gather, and since the examples that they use are quite depressing, can the minister perhaps report back to the House within a week or 10 days as to his specific intention?

Hon. Mr. Taylor: Mr. Speaker, again as you know there are 50 Children's Aid Societies in Ontario. All are being given personal attention. They are being reviewed individually in the light of the particular circumstances of the area, whether they're fiscal or physical resources. The geography has a role to play of course. The Kenora area, as all others, is being given that attention.

Mr. Swart: And no child will suffer?

Hon. Mr. Taylor: That's right.
[2:30]

CHILD IMMUNIZATION

Mr. S. Smith: I have a question of the acting Minister of Health, for whose edification I will read her own ministry document into the record this afternoon during the debate on the laboratory legislation.

My question is to do with polio vaccine. How could the minister tell this House that she had no notion how it was that the federal government could have had information in January and she didn't get it until March about the polio virus situation when, on Jan. 23, at an open symposium at the Uni-

versity of Ottawa, Dr. Mahdy of the Ministry of Health was in attendance and took part in the discussion of the information revealed by Dr. Sattar at that time? Why is the minister misleading the House?

Hon. B. Stephenson: Mr. Speaker, I wasn't misleading the House at all. The question was asked by the hon. member for Wentworth (Mr. Deans) whether the federal authorities had advised us about this and why there was a delay in the information. In fact, the information which we have received most directly is that which is published in the Canadian publication, federal Health and Welfare's "Canada's Disease Weekly Report" on April 17, which actually gives the information regarding a 1974 study about sewage in Ottawa and the presence of virus in that. I most certainly was not misleading the House.

Mr. S. Smith: A supplementary: Does the minister now accept that a person from her own ministry was there at the open symposium where this information was given in Ottawa on Jan. 23? Does she also confirm the fact that of the strains of polio virus found, five were so-called wild strains which do not fit into the immunization pattern that's achieved by the present vaccine?

Hon. B. Stephenson: Mr. Speaker, I have no knowledge of attendance by that member of the ministry at the symposium in Ottawa, but I shall most certainly find out about it and report to the House.

Mr. Roy: That's nothing new, Bette.

COMMENTS BY MEMBER FOR ST. ANDREW-ST. PATRICK

Mr. S. Smith: I have another question of the acting Minister of Health: Has she taken any steps to confirm the accuracy of the quotation attributed to the member for St. Andrew-St. Patrick (Mr. Grossman) in which he was alleged to have said that he could not tell his voters that her decisions have any integrity? Has she taken steps as part of her job to find out whether that quotation is accurate?

Hon. B. Stephenson: Mr. Speaker, I am very much aware of my integrity. I would hope that the member for St. Andrew-St. Patrick would be very much aware of his as well. I'm sure that they will be reasonably compatible.

Interjections.

Mr. Speaker: Order.

Mr. Lewis: By way of a supplementary, if I may, has the minister read carefully and taken to heart the rather snarky and antagonistic comments made about her and her ministry by the member for St. Andrew-St. Patrick, attributed to him in the most eminent pre-eminent column in the Globe and Mail by Norman Webster? Before she replies to me, may I remind her that the member sits almost directly behind her.

Hon. B. Stephenson: Mr. Speaker, unlike the Leader of the Opposition, I have no fear of the members who sit behind me.

Interjections.

Mr. Foulds: On a matter of personal privilege, I take exception to the minister's remarks.

Hon. Mr. Rhodes: Do you know who you are behind those glasses?

Mr. Speaker: Order, please.

Hon. B. Stephenson: Mr. Speaker, since the article mentioned was written by one of the most respectable members of the press corps, I read it very carefully, and all I can say is I'm sure that from his point of view the member for St. Andrew-St. Patrick was attempting very diligently to be totally objective.

Mr. S. Smith: He succeeded. What could be more objective?

Mr. Speaker: Order, please.

DETOXIFICATION PROGRAMME

Mr. S. Smith: I have a question of the acting Minister of Health. I am tempted to ask her whether she's more frightened of the people beside her—

Mr. Speaker: Order.

Mr. S. Smith: —but in any case we'll move along to a question about the Addiction Research Foundation and the detoxification programme. In the light of the criticism by members of the Addiction Research Foundation that the ministry's alcohol detox programme is failing and, in fact, it's doing very little good and spending a good deal of money, can the minister tell us exactly what her plans are for revamping it and how much money this is going to cost us?

Hon. B. Stephenson: Mr. Speaker, the failure of the detox programme, I suppose, is relative in the study that has been presented by the Addiction Research Foundation people. It is suggested that if the programme were about

twice the size, it could be more successful; that is perhaps true. All of this is being studied by both the ministry and the Addiction Research Foundation in a special liaison committee which has been established in order to investigate the role and the functions of the Addiction Research Foundation and the increasing integration of work on alcoholism into the total health care programme of the Province of Ontario.

Mr. Speaker: The hon. Minister of Consumer and Commercial Relations has the answer to a question asked previously.

INCREASE IN PREMIUMS FOR HOME INSURANCE

Hon. Mr. Handleman: Mr. Speaker, I checked into the matter of the Royal Insurance Co. premium rates, which was raised by the member for Wentworth (Mr. Deans) last Tuesday.

The Royal is one of six property and casualty insurers that must give the Anti-Inflation Board 30 days' pre-notice of all rate increases. I understand that they did comply with this requirement and that the AIB have not objected to the proposed new rates.

At the time the question was asked they had not filed any rates with my ministry. In Ontario the Royal have introduced rate increases on April 1 for new business and June 1 for renewal business. The office of the superintendent of insurance has reviewed the Royal's proposal and this analysis indicated the average increase for Ontario is only 3.1 per cent. This is a significantly lower figure than the 9.6 per cent which presumably caught the eye of the hon. member and which he mistakenly interpreted as being applied to Ontario. In fact, it applied nationwide.

Mr. Deans: I didn't make a mistake.

Hon. Mr. Handleman: Hon. members will be happy to know that the indicated overall Ontario average increase is lower than that proposed for any other province.

In particular, the premium rates for Royal's most popular type of homeowners' policy have, on the average, been decreased by two per cent in Ontario.

Mr. Reid: Not in northern Ontario!

Hon. Mr. Handleman: The new rates are anticipated to provide only a modest overall profit for the Royal, and when this restraint is coupled with the Royal's demonstrated willingness to do more than their share in maintaining a ready insurance market in all

parts of our province, I feel we should commend them rather than criticize them for their efforts.

PUBLIC HEALTH LABORATORIES

Mr. Mackenzie: A question of the acting Minister of Health once again. Given the increasing evidence of substantial savings in the public health labs, what is the minister doing to encourage the development of regional public health labs in the Province of Ontario at this time?

Hon. B. Stephenson: The public health laboratory has a specific role in this province and it is related to those tests which are usually done to maintain public health and to investigate for possible venereal disease. Its role is limited in many areas in terms of biochemistry, physiological testing and pathological testing.

In those areas in which it is important that a strong public health laboratory be established on a regional basis, that is precisely what is being done. In fact, the function is being centralized in many areas in order to make the laboratories more functional and more responsive to local need.

COW-CALF STABILIZATION PLAN

Mr. McKessock: Mr. Speaker, I have a question of the Minister of Agriculture and Food. I want to ask this question before the—
[Applause.]

Mr. Reid: You didn't know when you were well off, Frank.

Hon. F. S. Miller: I'm only here for five minutes.

Mr. Speaker: I am sure the hon. Minister of Health recognizes that as a warm welcome and that we are glad to see him back. Thank you.

Mr. McKessock: I have a question of the Minister of Agriculture and Food pertaining to the cow-calf stabilization plan. I want to ask this question before the premiums are set for this year. In view of the fact that the price of calves this fall will be considerably higher than last year and the payouts from the plan therefore will be considerably less, and in view of the fact that if the premiums are raised, the farmers are liable to opt out of the plan, which will return fewer dollars to the Treasury, would the minister consider lowering the premium for the plan or at least

leaving it at \$5 per cow to encourage the farmers to stay in the plan?

Hon. W. Newman: Mr. Speaker, I answered that question in the House yesterday, if the hon. member would like to check Hansard—

Mr. Singer: No. No.

Hon. W. Newman: —but I would be prepared to go a little further and answer it again for him.

Interjections.

Hon. W. Newman: As members know we are now working on the final figures for the cow-calf programme using the model farms of the Province of Ontario and we have come up with the necessary figures. The agricultural critic from the official opposition asked a question yesterday. We'll be having a series of meetings with the Ontario Federation of Agriculture and the Ontario Cattleman's Association to discuss those final figures. As far as the premiums are concerned, as soon as we've decided what the premiums will be I'll let members know.

Mr. McKessock: A supplementary: I checked Hansard and this question wasn't asked yesterday. Would the minister agree with me that if he raises the premium he's liable to have fewer dollars returned to the plan?

Hon. W. Newman: If we look at the premium that came in last year from the cow-calf producers—there was about \$1.5 million income and about \$22 million was paid out, which was a little out of balance with what we'd anticipated. I'm glad the member has enough faith in the future of agriculture, as I have, and the calves, I hope, will be at 50 cents this fall.

Mr. Wildman: A supplementary: If the premium is to be raised is the ministry willing to raise the guaranteed price from 50 cents to 60 cents so that farmers will stay in the plan and not opt out?

Hon. W. Newman: As I have just finished saying, we are working with model farms across this province to work out the statistics as far as the actual cost of production is concerned. When we have those in place we'll be discussing them with the various agricultural organizations.

I'm not prepared at this time—surely the member knows enough about farming, maybe he doesn't, but we have to do a little work in order to find out what is going on.

Mr. Wildman: If you keep this up there won't be one full-time beef producer in Algoma.

Mr. S. Smith: He is the only guy who knows about farming. He is the only one who knows about justice. She is the only one who knows about medical teaching; a bunch of experts. Marvellous.

Mr. Lewis: The whole cabinet is out of control.

OHC TENDERS

Hon. Mr. Rhodes: Mr. Speaker, the hon. member for Niagara Falls (Mr. Kerrio) asked yesterday about OHC's tendering procedures for a senior citizen development in Beamsville; he asked whether I was aware OHC accepted two bids which were not publicly opened on the date specified and that the project was recalled.

He also asked if I was aware the tender was recalled on the basis of reducing the number of units and that the subsequent successful bidder had not submitted a bid which was initially opened publicly.

There were two calls on this project, Mr. Speaker. The first, for a 65-unit building, closed on June 23, 1975. Nine builders responded but four of the bids were defective and two were 55 minutes late because OHC's branch office in Hamilton, one of the locations where bids could be received, had moved to another building and the contractors were unaware of the new address. The late bids were received by OHC but the public tender opening was limited to the seven which arrived on time.

Had OHC accepted the lowest qualified bidder the cost per unit would have been \$17,900, much over the budget for the building. OHC's board of directors requested a redesign of the building to reduce costs. Because of the apparent confusion among some builders, as reflected in their faulty submissions, and in accepting some of the blame for not ensuring that everyone knew about the branch office move, OHC limited the invitation for the second tendering to the nine original firms.

Five firms responded and the lowest tender for the 61-unit building was awarded to Johns-Mitchell Developments Ltd., of Hamilton, which submitted a per unit price of \$15,377. Johns-Mitchell was one of the two firms late for the first call but as all first-call bids were rejected, the firm was on an equal

footing with its competitors in the second call.

I believe the hon. member was making the point that because the successful firm's original bid was not eligible at the first tender opening, it should not have been included in the invitation to participate in the second tender call.

Mr. Bullbrook: That sounds like Headway. Headway revisited.

Mr. Shore: Sounds like a good reason why the OHC records should be opened.

Mr. Singer: Can we see the OHC minutes on that?

Hon. Mr. Rhodes: I would like to assure the members that the late submission by the firms was thoroughly investigated at the time it occurred and we are satisfied the responsibility for the lateness was not that of the builders.

Mr. Kerrio: A supplementary: Would the minister not agree that the ministry should, by now, be in control of tender openings so there cannot be any criticism whatsoever? There are other ministries in which tenders are taken to a certain time and anything which comes in after that is not considered. In this way there can be no criticism directed to any ministry if such is the general rule. [2:45]

Hon. Mr. Rhodes: Mr. Speaker, I thought I had informed the hon. member that those bids which came in late were not considered at the initial opening.

Mr. Singer: But you discarded all the initial openings.

Hon. Mr. Rhodes: At the initial opening, the costs were too high and beyond budget and they were asked to retender. All of the initial bids were rejected, but the two late tenders were not opened in connection with the first opening at all. They were not considered.

Mr. Bullbrook: That is where Headway Corp. used to get their jobs. Remember that, Lorne? You were part of that.

Mr. Singer: Supplementary, Mr. Speaker.

Mr. Speaker: Final supplementary; the member for Wilson Heights.

Mr. Singer: Would the minister be prepared to table the minutes of OHC which show this rather unique and unusual method of dealing with these tenders, whereby he

gave a discarded tenderer an opportunity to start over again from scratch, and nobody else?

Hon. Mr. Rhodes: Mr. Speaker, we did not give a discarded an opportunity to retender and no one else; that, of course, is totally erroneous. And the hon. member well knows it.

Mr. Singer: Well, the other five—but not the public.

Hon. Mr. Rhodes: The answer to the first part of the question is, not at this time.

Interjection.

Mr. Speaker: Order, please. The member for Windsor-Riverside.

Mr. Bullbrook: I think the Ontario Housing Corp. will probably be shown to be the most corrupt organization in your government, the most corrupt.

Mr. Speaker: Order, please. We can't hear the hon. member who's supposed to be asking the question.

Mr. Bullbrook: From the top on down, the most corrupt.

Hon. Mr. Rhodes: I will have to take your advice.

Interjections.

Mr. Singer: That tender story is one of the worst examples of procedures yet.

Mr. Speaker: Order, please. The hon. member for Sarnia will please restrain himself.

The hon. member for Windsor-Riverside. Can we find a mike that's working?

EFFECT OF FLUORESCENT LIGHT ON FOOD

Mr. Burr: Mr. Speaker, a question of the Minister of Consumer and Commercial Relations about the food packaging problems which I drew to his attention about two weeks ago. Can the minister report on what the ministry has done to insist upon the use of safe packaging—that is, light-protective packaging—to prevent the deterioration of milk, butter and other foods exposed to vitamin-destroying fluorescent lighting used in many, if not most, food stores?

Hon. Mr. Handleman: First of all, the question was directed to me a few weeks ago, and I thought that at that time I had made it quite clear to the hon. member that

we have no expertise in our ministry to determine food quality or whether there's a question of food spoilage. The question should really be addressed to the Minister of Agriculture and Food (Mr. W. Newman), who is responsible for the Ontario Food Council.

Interjection.

Hon. Mr. Handleman: And I said that two weeks ago.

Interjections.

Mr. Burr: A supplementary: What did the minister mean by saying that he would "be glad to look into the report"?

Hon. Mr. Handleman: Mr. Speaker, I will repeat my gladness to look into the report, but I will refer it to my colleagues in Health and Agriculture and Food for action.

ODC LOANS TO FISHERMEN

Mr. Spence: I have a question of the Minister of Industry and Tourism. In view of the Ministry of Natural Resources' decision to restore the 8-in. size limits for perch, and also in regards to the low supply of fish in Lake Erie, is the minister aware of the severe economic hardships experienced by the Lake Erie commercial fishermen in repaying Ontario Development Corp. loans?

Mr. Speaker: Order, please. It is very difficult to hear the hon. member. There are too many side conversations going on. Would the hon. member care to repeat his question?

Mr. Bullbrook: Sit down, Lorne.

Mr. Spence: What is the situation on repayment of Ontario Development Corp. loans granted to fishermen in the year of 1971? Has the minister any comments on this?

Hon. Mr. Bennett: Mr. Speaker, we're aware of the fact, and the member for Kent-Elgin has brought it to my attention again, that there are some further difficulties by some of the fishermen in that area in being able to repay their loans to ODC.

I think we should recognize the fact, first of all, that there are a number of fishermen who have already completed their payments to ODC. There are also a number at the present time who are attempting to make payments to ODC; and there are about four or five who have made no attempt in any way, shape or form to make any repayment to ODC.

I indicated to the member for Kent-Elgin and others that we would look at the payment plan to see if we can find some relief, in light of the economic constraints that are being placed upon them with the lack of fish in that particular area. I hope within the next few weeks to be able to put a recommendation before my colleagues in cabinet on a repayment programme that would facilitate the repayment of their loans.

Mr. Angus: Supplementary: Inasmuch as the problems seem to have originated from an apparent lack of communication or lack of involvement between the two ministries, does it not seem logical that this is something that should have been planned out ahead of time through the Resources Development secretariat?

Hon. Mr. Bennett: I don't accept that there was any lack of communication between the ministries; each one had its own responsibilities. ODC was a lending agency to try to facilitate the fishermen and to make sure they stayed in business at a time when there were real problems; of course, they are now experiencing further difficulty because of the number of fish that are available to them and in terms of the other species that have been removed. But, as I say, there is no lack of communication; each one had its responsibilities, and we'll react to them.

Mr. Speaker: The member for St. Andrew-St. Patrick.

Mr. Angus: Is there to be a by-election?

HOSPITAL CLOSINGS

Mr. Grossman: I have an objective and non-snarky question for the acting Minister of Health. A lot of employees at the Doctors Hospital still have the feeling they have been cut adrift—

Mr. Wildman: I wonder why?

Mr. Grossman: —and no one has been in direct contact with them.

Mr. Angus: They feel they have gotten the shaft.

Mr. Speaker: Order, please.

Mr. Grossman: On April 22, the acting Minister of Health assured the House that she expected that it would be within the next seven or eight days following April 22 that the employment committee, let's call it, would be visiting the hospital and would be con-

tacting each and every employee. Has that happened, and if not, when is it going to happen?

Mr. Lewis: Do you mean you can't trust what is said in the House?

Hon. B. Stephenson: I cannot state factually that it has happened within the last two days. I know it did not happen last week, but it is supposed to happen this week.

Mr. Deans: Oh boy, who do you trust now?

Hon. B. Stephenson: At the present time, however, there has been an identifiable individual within the Ministry of Health made known to the staff of the Doctors Hospital—

Mr. Lewis: Three months later.

Hon. B. Stephenson: —in order that they may contact him for the purpose of filling out applications for further employment and for the purpose of discussing problems which will be related to the development of the community health centre in that area.

Mr. Cassidy: You are going to send an official to fill out forms?

Mr. Grossman: I have a supplementary question. This person has not been identified directly to the employees but rather to some of the administration. Doesn't the acting minister think it might be appropriate to write each and every employee or, at the very least, to be sure that in fact the hospital has posted the name of this contact person so that in fact the 600 employees will know? At the moment they don't.

Ms. Gigantes: Why don't you write them and tell them?

Hon. B. Stephenson: The letter has been sent to the administrator of the hospital and he was asked to post the letter on the bulletin board for all employees to see.

Mr. Deans: That's hardly a satisfactory way to deal with people.

Mr. Cassidy: That's a breach of faith in view of what you promised; it really is.

Mr. Speaker: The oral question period has expired.

Mr. Bullbrook: We're not at the end of our list yet.

Mr. Roy: We've got more questions here —good ones.

Mr. Speaker: Order, please.

Petitions.

Mr. Shore: Mr. Speaker, on behalf of in excess of 400 citizens from the London area, I would like to present to you a petition signed by them, wherein they have requested that the government remove the laws of this province relating to seatbelts and let the people decide for themselves.

Some hon. members: Sit down!

Hon. Mr. Rhodes: Albert, attack him.

Interjections.

Mr. Speaker: Order, please.

Mr. S. Smith: Citizens have a right to petition.

Mr. Roy: We all have our crosses to bear, eh?

Mr. Speaker: Order, please.

Mr. Cunningham: Mr. Speaker, I have a petition on behalf of 250 citizens from my community who are concerned about the issuance of a licence to open a gravel pit on agricultural land.

Mr. Lewis: That's a good petition.

Mr. Speaker: Presenting reports.

Motions.

Introduction of bills.

SIMCOE DAY ACT

Mr. G. E. Smith moved first reading of bill intituled, An Act respecting Simcoe Day.

Motion agreed to; first reading of the bill.

An hon. member: Not again?

Mr. MacDonald: Are they going to call it or will it stand on the order paper?

Mr. Lewis: Gordon, why were you so mad at Jim Taylor the other day? You nearly hit him in the House. What happened?

Mr. G. E. Smith: Mr. Speaker, the purpose of the bill is to change the name of the public holiday celebrated in many municipalities on the first Monday in August from Civic Holiday to Simcoe Day in honour of John Graves Simcoe, who was appointed first Lieutenant Governor of Upper Canada on Sept. 12, 1791, and who convened the first legislative assembly and established the capital of the Province of York, now Toronto.

DRIVER TRAINING SCHOOLS ACT

Mr. Reid moved first reading of bill intituled, An Act to provide for the Regulation of Driver Training Schools.

Motion agreed to; first reading of the bill.

Mr. Reid: Mr. Speaker, this Act makes provision for the registration of operators of driver training schools and the licensing of driving instructors. Provision is also made for the setting of minimum standards for such schools, the instructors and the instruction given.

Mr. Speaker: Orders of the day.

WELLAND-PORT COLBORNE AIRPORT ACT

Mr. Renwick, on behalf of Mr. Swart, moved second reading of Bill Pr6, An Act respecting the Welland-Port Colborne Airport.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr6, An Act respecting the Welland-Port Colborne Airport.

Mr. Speaker: Order, please. It is very difficult to hear in here. Would the side conversations please cut down? Thank you. Order.

CITY OF HAMILTON ACT

Mr. Deans moved second reading of Bill Pr19, An Act respecting the City of Hamilton.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr19, An Act respecting the City of Hamilton.

CITY OF HAMILTON ACT

Mr. Deans moved second reading of Bill Pr26, An Act respecting the City of Hamilton.

Motion agreed to; second reading of the bill.

The following bill was given third reading upon motion:

Bill Pr26, An Act respecting the City of Hamilton.

Clerk of the House: The seventh order, resuming the adjourned debate on the motion for second reading of Bill 60, An Act to amend the Residential Premises Rent Review Act, 1975.

**RESIDENTIAL PREMISES RENT
REVIEW AMENDMENT ACT**
(continued)

Mr. Roy: With the unanimous consent of all the members, I think I adjourned the debate.

I had a few comments to make on this legislation. As I was explaining on the other occasion when we were discussing the substantive aspect of this bill, our party felt that some of the matters being removed from rent control were items of great concern to this party. In other words, we can have some sympathy with the legislation when we have a situation in which we are controlling rents which are already controlled in one form or another or if we, in this party are satisfied that the tenants who are being removed by this legislation in fact receive some protection in other areas, for instance, rent geared to income, and I intend to speak about that—

[3:00]

Mr. Speaker: Order, please. There's altogether too much background noise in the chamber.

Mr. Roy: I fully agree, Mr. Speaker, thank you.

When we're talking about removing what we call limited-dividend housing by this legislation, we in this caucus have some concern and will be proposing some amendments, because we are not satisfied that tenants in those units are receiving adequate protection. It has become clear to us, after meeting people living in these units, meeting tenant associations and so on, that the protection that was supposedly afforded or given by CMHC is just not there and that developers who are building units under this particular scheme are being given more leeway than would appear to be allowed under the legislation. Yet CMHC does not seem to be enforcing certain jurisdictional control it may well have either under the contract or under the legislation.

We have some concern about this area. We feel that to remove these tenants from this legislation is leaving them just to the whims of the developer who built under the scheme with CMHC, and that CMHC is not giving these tenants the protection. We're concerned about that aspect and we have full intentions of opposing that part of the amendment.

The other aspect, and I suppose the more difficult one, is what is called rent geared to income. The theory of this amendment is that the rent control legislation would just be controlling rents which are already controlled under what we call the rent-geared-to-income scheme. In other words, the rent, which by and large is limited in Ontario Housing projects to one-fourth of the income of the tenants, is some form of subsidization or some form of control, and therefore rent control is a duplication.

In theory that may well be so. Our concern is that certain tenants who are paying that percentage of their income have great difficulty making ends meet. Our concern, especially with Ontario Housing, is that there should be some revision of the rates and that we should get a different approach by Ontario Housing. If I may be so bold as to suggest that when we're discussing this rent control legislation and the amendment and I see here in the House the Minister of Consumer and Commercial Relations (Mr. Handleman), who has jurisdiction for this legislation, I get very much concerned that we don't have the Minister of Housing (Mr. Rhodes) here, because we really have concern, and I think we've expressed it over a number of years, about the operation of Ontario Housing.

We've talked about the minutes we wanted to get a hold of, to learn what goes on, how come certain decisions are made, and why certain properties are purchased. We find Ontario Housing to be a very unresponsive institution in that we have great difficulty getting to Ontario Housing through the Minister of Housing to get some form of action. I think it would be incumbent on the Minister of Housing to be here and to convince the members in this House about the rent scale of some of these units.

For instance, we're concerned that there are certain types of housing under the jurisdiction of Ontario Housing where rent is not controlled or limited to one-fourth of income. We've been told there are some tenants who are paying up to one-third of their income on their rent. The reason for what is happening is that certain units have come under the jurisdiction of Ontario Housing where Hydro charges and certain other matters are not considered to be part of the rent. These are paid for over and above their rent. If we have a system whereby we're limiting rents to one-fourth of the income, surely we should have it universal. We should not only look, in some instances, as to whether the one-fourth is fair, but look at the situation where it exceeds one-fourth of their income.

I say to you, Mr. Speaker, that it would be important for the Minister of Housing to be

here and to tell us what he intends to do about this and then we would have more enthusiasm in supporting the amendments on what we call rent-geared-to-income housing.

Mr. Cassidy: Why don't you oppose him then? Why don't you oppose him?

Mr. Roy: If the member would shut up I will tell him why. The reason we feel we should support the government on this particular amendment—

Mr. Cassidy: The Liberals are talking out of both sides of their mouths.

Mr. Roy: Probably the member for Ottawa Centre will never understand this, because he doesn't agree with anything that is not socialist.

In any event, the reason we are favourable to part of this particular amendment is that Ontario Housing is using the whole process of rent control as a way of arriving at setting what is rent geared to income. In other words, it seems such a very cumbersome scheme to arrive at rent geared to income, and so we have a clogging up of the whole system of the rent control process. It seems to us that when the taxpayer is paying one way or the other, this is a very unsatisfactory way of proceeding with this.

Secondly, we are told—and I have received information from certain areas of this province, and Ottawa housing people in particular—that since rent control has been imposed on Ontario Housing units we have a situation where we limit the turnover of these units, and people who on other criteria would benefit from this type of housing, people who by all criteria—their salary, their employment, or otherwise—should have an opportunity of getting into these units, don't, and other tenants who should have an opportunity I suppose of getting out can't. The turnover is not taking place. So we have a situation where we are trying to have certain housing for the benefit of people at the bottom end of the scale and they are being penalized by the process.

In the same vein as this, the other sector that was of concern is that when rent control applies to the unit we have a situation where a unit may be rented out for something like \$100 a month based on one particular tenant's rent geared to income, on his particular income. He is transferred out, and of course rent control now applying to that particular unit, another individual who wants to get in perhaps should be charged rent of \$125 or \$175 a month or whatever on the basis of his income, and we can't do it. We have to go

through the whole rent control process again. If rent control applies to the unit and, in fact, Ontario Housing is based on the income of the individual, you get a conflict there. On one hand, rent control applies to the units, and on the other hand, the amount of rent that he is supposed to pay is based on his income and should apply to the individual. So we have a conflict. I am told that in Ottawa—and I don't know, I have not checked this out—instead of spending \$2,000 to repair a unit after the tenant leaves, the unit is just closed up rather than rented at a rate which is patently unfair or is out of line with what a potential new tenant is earning.

So it seems to us that when we have legislation which is intended to protect tenants who are already protected—and we have questions about the protection that they are afforded, I have mentioned these earlier—this seems to be a dual process. It seems to us to be too cumbersome a process, and so we are sympathetic to that part of the amendment.

I must say that we support it with a certain amount of apprehension and a certain amount of reluctance, always having in mind that Ontario Housing has not been the most responsive institution in this province. I am sad to see that when we are discussing this legislation the Minister of Housing is not here. What I suspect is going to happen is that once Ontario Housing units are removed from rent control, then the Minister of Housing will no longer have a conflict. He can't have a conflict, having sloughed it off on his confrere, the Minister of Consumer and Commercial Relations. I think the Minister of Consumer and Commercial Relations will try to pass it back on him now, because it would make more sense that rents and rent control be under the Ministry of Housing rather than under the Ministry of Consumer and Commercial Relations.

Mr. Cassidy: The fact is that neither of them wants it and neither of them supports it.

Mr. Roy: That's right. Neither of them wants it, but I suppose the Minister of Consumer and Commercial Relations will find some justification for giving it back to the Minister of Housing, because I think he was none too pleased to get it in the first place and he will gladly give it back. So, knowing what is going to happen, it is sort of sad that the minister is not here to give these amendments more credence and to give us more encouragement about what he is going to do about the present rates within Ontario Housing.

Mr. Speaker: Does any other member wish to get involved in second reading? The hon. member for Beaches-Woodbine.

Ms. Bryden: Thank you, Mr. Speaker. I support the position on this bill which the member for Ottawa Centre (Mr. Cassidy) outlined at the beginning of this debate. Our party has decided to oppose this bill but we did not make this decision without considerable thought and discussion. However, we have decided that the bill is seriously flawed in at least four respects and that is why we are opposing it.

The four respects are the removal of OHC units from rent control; the removal of limited-dividend units, the removal of housing units for senior citizens operated by local governments or agencies of local governments; and the provisions relating to mobile homes.

With regard to the first, we were aware at the time we voted for bringing OHC tenants under rent review that there would be difficulties in fitting it to the geared-to-income concept but we hoped that some sort of imaginative administrative procedures could have been worked out which would not destroy the principles of geared-to-income rental but would give OHC tenants some sort of involvement in legislation designed to protect tenants generally from arbitrary and unilateral decisions by landlords. We understood that the OHC tenants' association probably would have preferred a thoroughgoing revision of the rent scale, an opening of books to them—which occurs under rent review—and an involvement in management instead of inclusion in the rent control legislation. In the absence of such moves on the part of the ministry administering these units, they felt they were at least entitled to the minimal protection of the rent review procedures. That is why we voted for their inclusion in rent review.

We are aware of the administrative complications which have arisen from application of the law to geared-to-income units. We're not convinced that the minister tried as hard as he could to reduce the red tape within the present law. Be that as it may, we feel that some of the complications could be reduced or eliminated by a simple amendment to allow appeals to the rent review officers to be made on behalf of an entire building or several buildings of a similar type. As long as there was some provision to ensure confidentiality of the information relating to earnings of each tenant, we would support such an amendment.

We would view the present bill's proposal to take geared-to-income OHC units out from under rent control with more sympathy if we had some sort of indication from the minister that he was prepared to enter into negotiations with OHC tenants for a revised rent scale, for opening the books to tenants and representation of tenants on management bodies.

My colleague from Ottawa Centre has outlined the frustration of the OHC tenants' associations in getting any meaningful discussion on these issues. They would likely consider such a commitment from the minister as a better alternative to keeping them under rent control. If the minister could give us a guarantee or a commitment to undertake negotiations on the rent scale and to consider these other matters which I've mentioned, we would feel differently toward the section of the bill relating to OHC units.

With regard to the second group which the government proposes to take out from rent control, namely the tenants of limited-dividend projects, we strongly oppose taking them out from rent control. My colleagues have cited numerous cases in which CMHC, the federal government body which supervises their rents in most cases, has failed to protect tenants; has failed to protect their rights to see books or financial statements; and has authorized huge rent increases without justifying them to the tenants. We feel that tenants of limited-dividend housing need the protection of rent review until such time as CMHC shows that it is ready to protect those tenants.

[3:15]

The third group which the bill proposes to take out from rent review, and whose plight concerns me, are the residents of senior citizens' housing operated by municipalities or their agencies. The proposal to take these people out from under rent control is a second instance of this government breaking faith with these senior citizens. Their generation had more confidence in government than do younger people today, and it is particularly traumatic for them to learn that election promises do not mean anything. I am referring to the election promise made by the Premier (Mr. Davis) just 10 days before the Sep. 18 election, that all GAINS recipients would get a rent supplement to cushion them from rent increases in excess of 12 per cent, up to a maximum of \$25 per month. This rent supplement would be retroactive to April 1, 1975.

After the election, the senior citizens waited. The first payments had been promised

by the Premier for November, but nothing happened. Finally, after prodding from the leader of the official opposition, the Treasurer (Mr. McKeough) announced in December, 1975, that the government was welshing on this election promise. He gave as his reason that the rent review legislation would protect the senior citizens from exorbitant rents in excess of eight per cent. Of course, this protection only went back to Aug. 1, whereas the election promise had pledged relief for increases back to April 1.

This bill now destroys the flimsy substitute which the Treasurer offered for the dishonoured election promise. For this particular group of senior citizens in municipally-operated housing, it breaks faith with them for a second time. I am speaking particularly for the senior citizens in the 9,153 housing units operated by the Metropolitan Toronto Housing Co. Ltd., an agency of the municipality of Metropolitan Toronto. I understand there are senior citizens' housing projects operated by other municipalities, such as Ottawa and Windsor, in a similar situation.

Of the 9,153 units in Toronto, 6,488 are geared-to-income and 2,665 are limited-dividend. Many of the latter group were given rent increases on Aug. 1, 1975, greatly in excess of the eight per cent allowed under the rent review legislation. The increases were 33 per cent for bachelor apartments and 59 per cent for one-bedroom apartments. While these increases may have been justified in light of the fact that there had not been any increases since 1957, pensioners on fixed incomes find it very difficult to absorb such percentage increases. The main reason for the delay in raising these rents on a more gradual basis over the years was that CMHC was refusing to let the housing authority convert them to geared-to-income. So there has been an impasse on raising the rents.

The tenants of these apartments have received notice of further increases, effective Aug. 1, 1976, of 10 per cent and 11 per cent. Whether the rent review officers will allow these increases depends, of course, on their view as to whether the housing authority has proved that its costs have gone up by the amount requested and whether all the costs should be accepted. I would hope that in making his decision, the rent review officer would also be guided by the knowledge that senior citizens on fixed incomes cannot stand huge rent increases at one time. It means reducing their standard of living very sharply. I would hope that he would take the view

that any increases which are justified should be phased in for such people.

Without the protection of rent review, such considerations would never be entertained at all. The tenants would face a unilateral decision by their landlord instead of having the right to appear to present their point of view, to see the books and to present their arguments to an independent review officer. That is why we feel we must not break faith with them a second time and remove whatever protection and rights the Act gives to them.

The fourth group which the amendment affects seriously are the mobile home owners. My colleague from Algoma (Mr. Wildman) has indicated that the Act leaves their position unclear and may deprive some of them of the needed protection of rent review even in projects which are not really new developments. This is another reason we are opposing the bill.

The bill is so seriously flawed that we feel we must oppose it. There are a number of good amendments in the bill which we would like to see become law—such as it is unlawful to increase rents more than once in a 12-month period—but we feel that the minister should withdraw the present bill and bring in a new one with the inclusions we have suggested in order to make sure that people who need protection get protection.

Mr. Shore: I would like to say a few words on this bill generally. Particularly I would like to say that there is much in this bill which we are going to support; there are going to be a few amendments which we are going to bring forward. I would like to put a couple of items on the record about which I have had an opportunity of speaking to the minister.

When this rent review document or concept went in it was our understanding, certainly, that the concept of rent review as opposed to rent control was to give an opportunity to all parties, whether they are the tenants, the owner or the landlord, to try to assess the merits of any rent adjustments. I've been finding out from people who are going before the rent review—and this has been both tenants and landlords or owners—that the apparent position taken so far—the minister recently told me they are looking into this and he is satisfied that if there was an area of concern it is being corrected—the information I have been receiving is that the only item the rent review officer has been looking at has been the matter of costs as they relate to last year compared to next year. That is

certainly not the understanding that we had of what this was going to be.

We thought it was going to take into consideration many other factors. For example, the most obvious is there may be people coming off two- and three-year leases, or one-year leases or whatever it might be, trying to get as close as possible to a market situation; at least at the starting point of this rent review. It would bother me very substantially if I didn't believe this was going to take place or was taking place. As difficult as this legislation will be to administer and as impractical as it may be, the sincerity and the dedication to bringing it in was to try to bring equity into a serious problem.

What I am seriously concerned about is that if that type of concept is not being taken into consideration by the rent review officers I think it's just going to complicate a very serious rental housing problem in the Province of Ontario. Instead of addressing itself to try to correct it, it is more or less going to make it worse. I really believe that and I'm concerned about that type of point and I'm pleased the minister has advised his people to take this point into consideration. I can't overstress that if it is not, it certainly is doing one or two things: It is not taking into consideration what the intent was of this legislation and, more important than that, it will not address itself to a serious problem, although I'm not so certain that this whole legislation will.

The other aspect that I would like to bring to the members' attention is that I have talked to many tenants who are covered particularly under the Ontario Housing Corp. geared-to-income concept. I'm satisfied, although people are making an issue of it, that there is some fairness to this concept. I think we should understand that this whole matter of geared-to-income rent is a serious matter in itself but it's under federal and provincial jurisdiction rather than under the guidance of this Act. To suggest that we should hold this bill up indefinitely, if it's right—or that aspect of it—until that other matter is taken care of, although I'd like to see it taken care of, is not being fair to the tenants on geared-to-income rent in Ontario Housing.

Mr. Cassidy: That's not what they told you today.

Mr. Shore: I'm satisfied personally.

Mr. Cassidy: That's not what they said today.

Mr. Shore: Did you write their submission?

Mr. Cassidy: No, I did not. They would refuse to accept it.

Mr. Shore: Wait a minute. I heard them today, too, and there's no question that they understand very clearly that there is a problem in relation to the geared-to-income concept. They've made that clear to us, and we recognize it—and, apparently, we've been talking about it in this party for many, many years. What I'm saying today is that the people involved in Ontario housing geared to income will be hard done by if we don't make the necessary changes here. That doesn't take away from the fact that we should also—

Mr. Cassidy: That's not what the tenant says.

Mr. Shore: —at the same time, consider the second aspect, and equally important, the whole concept of geared-to-income housing. But to suggest for a moment—and these people were asked here today—that we should hold this thing up, then I'm suggesting that many, many people will suffer as a result of that, and I think it would be wrong.

Mr. Cassidy: Are you doing what the tenants ask you to do?

Mr. Sweeney: I'd like to speak very briefly to three or four points in the bill. The first one is that we cannot agree to the elimination from the rent control programme of those limited-dividend houses which come under private ownership. It was our understanding that when this amendment was presented to us that the minister believed that the various elements, the components within the bill, were already protected by someone else. I have a letter written by CMHC personnel that says very clearly:

The corporation is not in a position to demand that borrowers make rebates, neither is the corporation in a position to adjudicate allegations of overpayment.

This particular piece of correspondence was sent back to one of the tenants of a privately-owned, limited-dividend housing unit when it was brought to CMHC's attention that, in fact, rents were being charged in excess of what CMHC had approved. What CMHC is very clearly saying on their own letterhead is that they are unable to enforce their own rules as far as rent rebates go. They go on to point out:

This is a matter for the courts to decide if you wish to take it to the courts.

In other words, they can't do anything about it. They go on further to point out:

CMHC cannot undertake to notify its tenants of the rents that are supposed to be charged. The individual owner has the information relating to tenancy and leases and the contractual arrangements are between the tenant and the landlord.

In other words, CMHC is saying they will tell the landlords what rents they're supposed to charge, but will not give the same information to tenants. Therefore, there is no way that tenants can know whether they are paying the rent that CMHC has authorized.

Clearly, Mr. Speaker, CMHC cannot enforce its own ruling. In one particular case, the rent authorized by CMHC was \$105, and the actual rent charged by the owner was \$121. For a three-bedroom apartment—the one which was specifically brought to our attention—the rent authorized was \$193; but the actual rate being paid by the tenant was \$205 to \$226. Very clearly, limited-dividend housing under private ownership must remain within the legislation because the tenants are not being protected by CMHC.

One tenant who objected to the fact that he was paying more rent received a notice of termination and of eviction. In spite of documentation that rents were being overcharged, the owner—and I won't mention names—wrote: "The owners have abided by the terms of the agreement with Central Mortgage and Housing."

The owner, in writing, is saying: "We've done what CMHC told us to do." Then CMHC lists the rents that are supposed to be charged, and the rents charged tend to be more than what CMHC has set. Then CMHC comes along and says: "Sorry, there is no way we can enforce it."

Clearly, that particular kind of limited-dividend housing must remain under the legislation because the tenants are not being protected.

[3:30]

Hon. Mr. Handleman: We'll accept that.

Mr. Sweeney: Very good. Rental units which come under the jurisdiction of religious institutions should be removed. I can speak only from my own experience in my own community. In the Waterloo region we have a number of rental units operated by religious institutions, in most cases for senior citizens. All the evidence I have been able to gather concerns two points. The first one is that there is no documentation to show these institutions in any way whatsoever—the ones within my experience that I have checked—are being unfair to their tenants.

As a matter of fact, all of the records I have been able to see, and they have been considerable, show in every simple case these religious institutions are in fact charging less than any other comparable institutions in the area. I guess what I am trying to say is that these people have demonstrated, to me at least, that they are being fair and equitable. As a matter of fact, they are being more than fair. I do not believe they need to remain under the legislation, and I would certainly support their exclusion.

With respect to university residences, one of my areas of responsibility in this caucus is for Colleges and Universities. One of the things I want to be as protective of as I can is that the dollars which are allocated to our colleges and universities are spent for education and not for something else. I have been advised by the universities in my area that they have had it very clearly stated to them by the Ministry of Colleges and Universities that their ancillary services, such as university residences, must break even—no more, no less.

There is some evidence right now that because of a rollback, one university in particular is going to have to pay upwards of \$100,000 out of its other funds. I would point out that in this particular situation, as in the other three which I checked, the students sat down with the university administration, looked over the books—I have this from both the administration and the students—and agreed on the rent that was going to be charged. They accepted the fact that this was the real cost to the institution and this was a reasonable rent to be charged.

Mr. Cassidy: That should happen in the private sector as well.

Mr. Sweeney: I do not believe there is any evidence, again in these situations, that the universities are charging rents which are unfair or that there is any need for them to remain under the legislation. Clearly one of the points we were trying to make when this legislation was brought in was to protect those people who needed to be protected. If there is clear evidence they do not need to be protected, then I don't believe we should continue to do so.

With respect to OHC, one of the things that very clearly concerns me is that we, I think, have gone on record in this Legislature as suggesting to the tenants of OHC—and once again I have spoken to many of them—that through the rent review legislation we were going to be able to protect them in a way they were not protected before. It seems that at this point in time—maybe history will

prove differently—that has been a facade. It has been an illusion. In every case so far that I have any evidence of, the OHC people have been able to demonstrate that their costs have gone up sufficiently to charge the rents they want to charge anyway. When we see records of some of the cost they are putting into evidence, it is no wonder. May I read just one statement from one unit?

Mr. Cassidy: We couldn't see the records before because they were suppressed.

Mr. Sweeney: In one unit, it has been recently brought to our attention, the increase for heating fuels over one year—these are the costs submitted by OHC—went from \$27,000 to \$55,000. I appreciate that the cost of heating fuel has gone up, but not 100 per cent. In the next one, wages for keeping the grounds went from approximately \$9,000 to \$24,000 in one year, almost a threefold increase. In one year, operating expenses generally went from \$77,000 to \$129,000—almost 100 per cent. In one year, improvements went from \$8,000 to \$23,000—almost a threefold increase.

The point I'm trying to get across is that when they can submit figures like this—we have no way of knowing the accuracy of those figures, but that's what is being submitted—there isn't any OHC jurisdiction that can't come into any rent review operation and very clearly demonstrate that an increase in rent is needed on the basis of an increase in income. We are not protecting these people whatsoever, and I believe very clearly that they need to be protected.

The real problem is that the 25 per cent rate is a very unjust rate for people at this income level. Our statistics demonstrate that people in the upper-income brackets are paying, on the average, 15 per cent of their income for shelter; that middle-income people, on the average, are paying 19 per cent of their income for shelter; and generally, on the average, lower-income people are being asked to pay 25 per cent of their income for OHC shelter.

Truly, that is unjust and it's wrong. That's where the problem is, and that's where we must direct our attention. It's in that area that we must ask this minister, as well as the Minister of Housing (Mr. Rhodes) and the federal government, to make a full review and to make fair, humane changes in this whole practice. This is where the changes have to be made.

The delusion that the rent review legislation is going to solve this problem is simply that—a delusion. I think we are being totally unfair to all of our constituents—and

I have a great number of them in OHC housing units—by pretending we are solving their problem this way. Let's rid ourselves of this delusion. Let's attack the real problem.

One last point: In the last couple of days I've talked to a number of senior citizens who are in subsidized housing as well. In this particular case it was again OHC. They had received a letter, saying they had the right to appear before a rent review board because their rates were going to go up. I can only say it was patently unfair—how else can I put it; I guess that's all I can say—to this group of people, many of whom can't even get out of their units physically and the others, who can get out really have very little idea of what's going on. The questions they asked me were: "What's this all about?" "What are we supposed to do?" "How can we react any way at all?" "What information do we have available to us?" I indicated to them that I and others would be prepared to help them.

The point I'm trying to make is that this group of people needs a far different kind of help than is provided by this particular legislation. Once again, my concern is that if we devote our energies exclusively to this, or even predominantly to this, the real problem isn't being met.

Mr. Drea: Mr. Speaker, I shall be brief. One of the interesting things that comes out of the remarks of the last speaker is the apparent duplicity of Central Mortgage and Housing. It was of some concern to me, because I have a number of private limited-dividend operations in my riding, and none of them is good.

Prior to the introduction of this bill last fall, the Federation of Metro Limited-Dividend Tenants—the limited-dividend people have their own association; at least they did. I'm not altogether sure it hasn't been suppressed partly by Central Mortgage making life difficult for anybody who belongs, by encouraging the owners to throw them out.

In any event, they approached me, because they didn't want us to include limited-dividend operations—private limited-dividend, in any event—in our legislation. On the surface that was extremely contradictory. Here were people who were locked in a life-and-death struggle with some of the worst landlords. Some of the worst operate under the protection of CMHC. I questioned them about it and they said CMHC had assured them that if they remained outside this Act, CMHC could protect them far better than any rent review legislation.

I find the correspondence read by the previous speaker to be most illuminating. I rather

suspect that correspondence is going to be recalled by Central Mortgage and Housing because, quite frankly, it's a very candid admission of what people have known for some time—that Central Mortgage and Housing, in terms of the limited-dividend concept, has neither the resources nor the people nor the inclination nor, frankly, the encouragement from Ottawa to police landlord and tenant relations on the premises.

It is my understanding that the minister is prepared to accept an amendment which would include—or continue, I should say—would continue to have privately-operated limited-dividend projects remain under the scope of the Act. If that's so, I'll conclude my remarks at this time.

Mr. Renwick: That certainly cuts part of the debate quite short. I must thank the member for Kitchener-Wilmot (Mr. Sweeney) for that contribution because it put the nail in the problem. We hadn't been able to put quite the same direct fix on that as he had and I'm glad the minister has accepted that amendment.

I do, however, want to talk about the basic problem which has been of such concern to us and, obviously, to each of the parties in the House. That is the intention to include, in the first instance, Ontario Housing Corp. on the one hand, and now the intention of the government to remove it and the obvious problems which this causes for each of the parties when giving consideration to that problem.

If I may make one comment about the limited-dividend aspect of it, what concerns me at the present time—referring to the paper issued by the Ontario Economic Council dealing with the alternatives in the housing field—is that it very succinctly states that what was available to sort of the upper limit of the persons eligible for rent-geared-to-income accommodation used to be available in the limited-dividend housing field. There was some available choice for those at the top levels of rent-geared-to-income in limited-dividend housing access.

If I take what the Ontario Economic Council is saying about limited-dividend housing as it now operates—it no longer refers to it under “low income” but under “moderate income rental programme”—it states:

In the past, under the regulations governing these programmes [that's the limited dividend programmes] units were produced which were accessible to the upper half of those eligible for rent-geared-to-income subsidies. Under the present liberalized

regulations the intent seems to be to produce housing which rents for only slightly below comparable privately-financed projects. Such housing is accessible only to moderate-income households.

It goes on to explain why this change has taken place.

I think that now the minister has accepted the proposal to continue to include limited-dividend housing under the residential rent review programme, we're really just talking about low-income people and the accessibility of adequate housing for that group. Various terms have been used and I want to say that in this caucus, right from the inception of the introduction of our amendment to include OHC in the original bill, which was then accepted by all the parties, we understood the anomaly which that produced. We were under no illusion about it, and I don't really believe that at the time when the debates took place, anybody was under any illusion about it.

[3:45]

Various terms have been used. The leader of the Liberal Party (Mr. S. Smith) said his caucus was not going to use this bill for the purpose of blackmailing the government with respect to a renegotiation in good faith of the rent-geared-to-income scale. The member for Kitchener-Wilmot referred to it as some illusion that we were suffering under, or that those who supported our view were suffering under, and that it would be no service to the people in OHC.

I think my colleague, the member for Ottawa-Centre—and I am certain other members of the House have been in contact with the tenants in Ontario Housing—has put that to rest. The organization which represents the tenants in Ontario Housing is under no illusion. What they are saying is, “We know of no way to extract from the government an adequate, negotiated in good faith, rent-geared-to-income scale at the present time and we have no way in which we, as tenants in Ontario Housing, can participate in any of the decisions in a meaningful way which are made by OHC with respect to our accommodation.”

So it does seem to me that we don't mind being in the position where we are saying to the minister, under certain conditions we might be quite prepared to accede to the desire of OHC to get out from under this, or the desire of the minister administering the programme to remove OHC from it. We had several discussions in caucus over quite a considerable period of time about this very

problem, continuing on from the discussions which took place at the time the bill was originally debated in the assembly last fall, after the election in September.

Basically, our caucus position was as follows, and I quote:

The determination of an equitable new rent scale and a commitment to include tenants on housing authority boards and on management committees would permit withdrawing OHC tenants from rent review since it would resolve the problems that led to our bringing OHC into the bill in the first place.

That was the determination that was made by our caucus in the course of these ongoing discussions which we had about this problem, and that's the position of this caucus with the government opposite. The divided jurisdiction between the Minister of Consumer and Commercial Relations and the Minister of Housing is not our problem.

So we are under no illusion. We do not believe that the tenants in Ontario Housing Corp. housing are under any illusion about what the circumstances are, and we certainly don't mind, in this case, when we are talking about the low-income people in the Province of Ontario who are tenants in subsidized public housing, to say to the government that it now knows the conditions under which we would be prepared to consider the withdrawal of the Ontario Housing Corp. from under the operation of the rent review programme.

That is our position and it is quite clear. I think the member for Kitchener-Wilmot (Mr. Sweeney) put his finger on the specific problem. We are simply saying that when that problem is solved we will agree to the other part of this bill, but we are not going to agree with it at the present time.

Mr. Shore: What about the mass injustices in the meantime?

Mr. Renwick: If I can take the interjection of the member for London North about the mass injustices, I don't quite know what is included in that phrase. All that we know is that the association representing the Ontario Housing tenants across the province believes—as the member for Kitchener-Wilmot believes—that it is wrong at the present time to be charging persons in that income range the high percentage which is being charged under the rent-geared-to-income scale. We consider that that position is a justifiable position and we are quite prepared to sit down with the government and indicate that we will go along, even then with some reservations,

about the withdrawal of the Ontario Housing Corp. tenants out from under the programme.

I say "with some reservations." Perhaps the minister would help me a little bit on this part of the problem. Again I am indebted, because I don't have the expertise in the housing field my colleague, the member for Ottawa Centre (Mr. Cassidy), has on these matters, to the paper, "Issues and Alternatives," issued just recently by the Ontario Economic Council. It says quite succinctly:

The concern over shelter costs may for the purpose of analysis be separated into a number of component parts, each of which implies a different type of policy. One part of the housing problem seems to be that given the incomes of people and the cost of shelter, certain households do not have enough income to purchase what society feels to be a sufficient quantity of housing. From this perspective, the consumption of housing could be raised to the level deemed appropriate by redistributing income to those whose consumption is insufficient.

One way to redistribute income is to provide housing at below market price [which I think is the case in a rent-geared-to-income programme]. Another is to provide cash to increase relevant income. Irrespective of whether the housing assistance is in cash or in kind, it is important that it is equally available to persons in similar income and family circumstances and that the assistance be integrated into the social security system.

All I was quoting that for was to indicate the distinction whether it's a subsidy, using that term, in relation to the rent geared-to-income programme of the government of Ontario or whether it is a subsidy related to the new programmes of the government. This is where my concern comes in because there's no question that the rent-geared-to-income programme of Ontario Housing as it has been since its inception is for practical purposes gradually being wound down and other programmes with different kinds of subsidies, the rent supplement programme and other programmes, are being introduced.

I think it's fair to say you will have different types of subsidy in the Province of Ontario as the one programme which will undoubtedly continue to exist in the form in which it has, is wound down and other subsidized housing programmes for low-income people are introduced. The paper of the Economic Council refers to the fact that for practical purposes the switch is taking place and that there are now new programmes.

They mention the three major ones. The paper refers to the rent supplement programme which is a private-landlord programme related to a 25 per cent occupancy for those persons who would otherwise be eligible for OHC. It refers to the community integrated housing programme and refers to the third programme, the accelerated family rental housing, where the rents charged and the overall rate of return on the project are subject to certain controls. In all these programmes, which are private-market programmes, the difference between the market rents and rents actually paid by tenants is contributed by federal, provincial and local levels as with public housing.

As I try to understand what is now left of clause (ab) of subsection 1 of section 5, which is the principle of the bill on which we have been focusing, it does seem to me if you take Ontario Housing out from under the programme, you are depriving them of a protection which will continue to be available to those who are under these other three programmes of the government, because they are subsidized as well and, as private housing complexes, they will be subject to the rent review legislation.

Hon. Mr. Handleman: The unit, not the people. The unit is controlled, not the people. There is a distinction.

Mr. Renwick: I understand that. I understand the distinction. I quite understand that. The units in subsidized housing under the three new programmes of the government will continue to be subject to that kind of control. The persons in those units will be persons who would otherwise be eligible for a tenancy in the Ontario Housing public housing aspect as we've talked about it.

There are certain units in privately-owned accommodation, as compared with certain units in publicly-owned accommodation, in which the tenants as such are receiving equal subsidies—or subsidies under the same kind of arrangement but under different programmes—and it seems to me quite anomalous that we should therefore be told that so long as they're in public housing it's fine to take them out but if they're in private housing they're entitled to protection.

If they're both subsidized it seems to me that, recognizing that the rent review programme is related to the units, which we understood, there is still a problem related to the question of the rent-geared-to-income programme in the public housing part of it, even if we were to consent, on the conditions which I have outlined, to taking it out.

The reason seems to me to be that presumably the calculations which would have to be made in Ontario Housing Corp. public housing would be to assign a market value to each of the units, to continue to have the rent review apply to those units with respect to the market value and then, with a proper rent-geared-to-income schedule, if there were increases justifiable on the market value of the units, only a portion of that would apply to increase the rental scale—rather than leaving the government in the position where, for all time, its rent-geared-to-income schedule is subject to obsolescence because it is only changed once in a very long time.

As I say, I don't pretend to have resolved all the problems. I'm simply saying we can take identical units, one in any one of the three programmes which are part of the 25 per cent private industry part of public housing—if I can use that term—and a family with identical income. That continues to be subject to rent review but, because for some strange reason it's not 25 per cent but 100 per cent, a tenant with a unit in an Ontario Housing public housing operation is going to be taken out from under rent review.

Without disclosing the confidential nature of the actual rent paid by a particular tenant, surely it should be possible to fix a market value for those units in relation to other available units in other markets in the immediate area. By keeping them under the rent review programme, the minister applies that percentage, whatever it is, that the landlord—OHC—can justify before rent review officers. It is adjusted with respect to the extent to which that amount is to be borne by the tenant with the lower income and the amount by which the subsidy must be increased in order to provide OHC with the kind of rent levels which are based upon the market and based upon its operating costs.

It seems to me the minister may have to find that solution because even with the two conditions which our caucus has agreed on I would, in any event, want that sort of problem resolved at least to my satisfaction before I could agree to OHC coming out from under the programme.

I do want to make one other comment. I think my colleague, the member for Ottawa Centre, in his contribution to the debate the other day drew attention to an inequity. I know the Speaker will allow me this minor digression for a moment. He drew attention to the inequity in providing the landlord with a detailed memorandum of assistance. My colleague refers to a 13- or 14-page booklet on

filing the financial information with the rent review office—

Mr. Shore: It's a nightmare.

[4:00]

Mr. Renwick: —on which the whole argument is to be based, and then the difficulty which the tenant has. I don't really believe the tenant is going to have his problem solved by having photostatic copies of it. That would certainly be better than nothing, but surely it's not beyond the wit of those who provide the information to the landlord as to what is required to justify the landlord's position within the meaning of the statute, to provide the tenants with the kind of critical 13- or 14-page memorandum which would be of immense assistance in asking the right kinds of questions of the landlord at the time the matter comes up for resolution.

Mr. Shore: By the time they have finished reading them they haven't got any strength left anyway.

Mr. Renwick: If that is not done, then it seems to me that any tenant, in most cases, is going to throw up his hands and simply say: "Well, I don't have the accounting expertise, I don't have the knowledge to go to the hearing and in any sensible and intelligent way deal with the problem."

Coming back, if I may, to the principle of the bill, my colleague the member for Ottawa Centre or other members of our caucus will be introducing amendments related to the kind of thing which OHC tenants—because we will be opposing the passage of the section which would exempt OHC from under the bill—the kind of position we want to take with respect to those tenants and the kind of group hearing which may be available to solve the administrative backlog and problem with which the minister is obviously faced, and which is being used as the rationale for the extension of these very exemptions.

We haven't made up our minds specifically, because we are most anxious to hear the actual comments of the minister about the question of exempting the non-profit housing in religious institutions and in the universities and the non-profit educational institutions. We haven't had, in this caucus, any sort of great demand that they be taken out. I take the argument which was succinctly put by the member for Kitchener-Wilmot (Mr. Sweeney) to be, why clutter up the administrative system when everything seems to be going along and they can settle it themselves without having to have recourse to the administrative technique. That doesn't

seem to appeal as a reason for taking persons out. If it's not a problem, it can't possibly be—as my colleague the member for Kitchener indicated to me it was—the administrative hangup. Because if any institution, such as referred to in the bill, has that kind of relationship with the tenants who are occupying the accommodation, then I am quite certain there would be no one happier than the rent review officer to have them come and say: "Look, we consent"—kind of a consent decree—"to the increase in the rent on these accommodations, because we have sat down privately, discussed this matter, are satisfied with the figures, and we come before you." They get a consent decree and we simply eliminate that backlog. That seems to us—

Hon. Mr. Handleman: You wouldn't accept that.

Mr. Renwick: Pardon?

Hon. Mr. Handleman: Ask your colleague. You would never accept a consent.

Mr. Renwick: I would—

Hon. Mr. Handleman: Oh you would talk about harassment from now until doomsday.

Mr. Renwick: No, no; I am talking about the minister's provision here for exempting the religious institutions with respect to the non-profit housing which they have, and the educational institutions. So we can't accept an administrative argument that the reason for concluding this exemption is that, and we find it difficult, although we will listen to the argument, to accept the proposition that because there appear to be no problems in his area there are no problems and therefore they should come out from under. I would again reiterate that it would be possible for the tenants in any building, if they were called together and met with the landlord, and worked the thing out, to go before the rent review officer and settle the matter.

I don't think we can accept the proposition that because the ministry's administrative techniques are lacking we have to extend unduly the exemptions. Whenever we see an exemption in a bill which is designed to assist people we are always extremely skeptical of it.

I think that is the total of the comments that I would care to make on the bill at this time. We propose to vote against the bill on second reading and to call for a division, because it does appear that the members of the Liberal Party are not prepared to support us and the minister has given no indication

that he is prepared to reconsider his position. After the bill has gone for division, we would then ask that the bill go to committee; presumably committee of the whole House would be the acceptable way to do it.

Mr. Bullbrook: Are you saying that if we supported you, you wouldn't call for a division?

Mr. B. Newman: Mr. Speaker, I don't intend to be very lengthy because I think my colleague, the member for Kitchener-Wilmot (Mr. Sweeney), pointed out the situation very well. However, I would like to bring to the minister's attention that one of the big problems in this whole field is that those who are in financial difficulty, or those who are not as financially blessed as others, and who have to live in Ontario geared-to-income housing, do not have an equitable base rental. Twenty-five per cent of their income is far too high to many, and maybe I could say to most, of the tenants in Ontario Housing.

Ms. Gigantes: It's no use telling that minister.

Mr. Good: He doesn't understand the problem.

Mr. B. Newman: In some instances they also have to pay for Hydro, so 25 per cent of their income is not the accurate figure that they are being charged for the base accommodation of housing.

Mr. Nixon: It's more like 33 per cent.

Mr. B. Newman: It is approximately 33 per cent. The Federation of Ontario Tenants Associations, to the best of my knowledge, has been attempting to impress upon the minister or his predecessor, the fact that their rent scales must be reassessed; that the provincial and federal authorities must reach agreement on a new rental scale whereby those tenants aren't being punished simply because they must live in Ontario Housing projects.

At the meeting with the Association of Ontario Housing Authorities in these buildings, some time in March, they presented those of us who had the opportunity to be there with a brief showing various inequities. But these are the exceptions; and I think it is entirely up to the minister to attempt to correct those rather than to punish the many unfortunate people who, not by choice, must live in Ontario geared-to-income housing.

I hope that the minister takes seriously the recommendations, suggestions and comments

made by my colleague, the member for Kitchener-Wilmot, and acts accordingly.

Mr. Bounsall: Vote with us then.

Mr. Cassidy: Vote with us.

Mr. Worton: Mr. Speaker, I would like to make a few comments on the bill that is now before the House. In the first rental arrangements that we had with the province and the federal government for the housing development in Guelph—this was in the early 1950s and up until about 1968—I think we based it on two-bedroom and the three-bedroom rental rates. At that time, I think the two-bedroom rent was \$58 and the three-bedroom rent \$62. When we went to geared-to-income rent it seemed a very fair way of putting it, because prior to that we had based it on the limit of earnings; when you got to approximately \$4,500, you generally took that as notice that you should move into your own accommodation and leave the rental for someone else. But no two families could save alike or, because of their families, they couldn't put the same amount of money away to purchase a house of their own, and this still presented problems. So the geared-to-income rent seemed a favourable way of doing it.

However, I am still of the opinion that when extra income comes into a house, when the family has grown up and the wife starts to feel she can do some outside work, it does increase their rent exorbitantly. I do feel that the minister should look at the rent scale he has and put a limit on it, so that these people won't be locked into this scheme. They will then have an opportunity to save in order to move out and let those less fortunate move into these type of residences. They will then be able to purchase a home of their own.

Hon. Mr. Handleman: Mr. Speaker, many members have contributed to this debate, and I have found it extremely informative and helpful to me in dealing with the issues which have been raised.

I would like to apologize. I was somewhat remiss at the time of my introductory remarks in not informing the hon. members that I did have some amendments to make; I will be introducing them when we go into committee.

The basic amendment, of course, is the one which I referred to in my interjection during the remarks of the member for Kitchener-Wilmot (Mr. Sweeney). I would like to make clear, though—

Mr. Cassidy: And you decided that last week?

Hon. Mr. Handleman: Yes, I had decided it last week.

Mr. Renwick: Why didn't you tell us?

Mr. Cassidy: Why didn't you tell us? You could have cut the debate by half.

Hon. Mr. Handleman: Mr. Speaker, I want to make it quite clear that our amendment only refers to the privately-owned limited-dividend units. I would expect the members of that part of the House to understand that ever since the Regina manifesto there is a difference between public enterprise and private enterprise.

Mr. Bounsall: We understand that.

Mr. Cassidy: Yes, there is.

Hon. Mr. Handleman: There is some difference between non-profit and profit organizations. We are not dealing with this matter because of administrative difficulties, it is a question of consistency. We do have in the Act provision for those people who are in a non-profit or loss situation, the rent review officer takes that into account. I want to make it quite clear that is the principle on which we have proceeded.

I originally felt that a system of government control on limited-dividend units, whether it be provincial or federal, would be sufficient. I have since tried to speak to Mr. Danson, and I have spoken to Mr. Teron, the president of CMHC. He informed me that he would do everything possible to try to tighten up the administrative procedures and make sure that no one in the private limited-dividend field—

Mr. Cassidy: Your credibility isn't too great on this one, you know.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: He assured me he would be instructing his people that they should tighten up on the administration of private limited-dividend rent increases.

However, when I asked him what the sanctions would be, the only sanction he could impose would be the withdrawal of the loan. This would mean that the landlord could then go out and refinance at a higher rate of interest and he would be back into rent review. He would then be able to go before the rent review officer and claim higher costs.

So on the basis of my discussion with Mr. Teron, with some of the arguments put forward by the members opposite, and a meeting I had with the representative of the tenants of private limited-dividend housing in

Metro, I was prepared to bring in that amendment; and I will be doing so.

I also want to make it clear at this point that I propose to include public hospitals in the exemptions. The Public Hospital Association contacted me shortly after the introduction on first reading, and asked that they be included along with other non-profit organizations. Again I accept the principle that in the case of those non-profit organizations which are either publicly-funded or funded by charitable contribution, their funds should be devoted to the purposes of the organization and not to legal and administrative expenses which really simply confuse the issue. I think hospitals, educational institutions, charitable institutions, as non-profit organizations should be able to use their very limited resources for the purposes for which they are incorporated, which is educational, charitable and religious. We have no intention of putting them back into rent control.

There was a question raised about the mobile home exclusion, and I must confess I don't understand it. There is, at the present time, an exemption for new rental accommodation and it was an oversight in the original bill that we did not exclude new mobile homes which are for rent. All we have done in the proposed amendment to the original Act is to put mobile homes on the same basis as all other rental accommodation in the province, and that is to exempt new units which have not been occupied as residential rental units prior to Jan. 1, 1976.

I see nothing inconsistent about that at all. Certainly, if we do not exempt new accommodation, there will be no incentive to anyone to build new accommodation or to provide it.

Mr. Cassidy: The bill is not consistent. If you make it consistent, we will support it.

Hon. Mr. Handleman: I know what the hon. member for Ottawa Centre is referring to. He would say that we would have to apply this only to new mobile parks and not new mobile units.

Mr. Cassidy: That's correct.

Hon. Mr. Handleman: On the other hand, where there has never been a mobile lot occupied, or a mobile unit occupied, we feel there is no base rent to apply and therefore it should be free of control. We will adhere to that principle; and of course depending on how the division goes, we will abide by the rule of the House.

[4:15]

Most of the debate, certainly on our side of the House seemed to centre on the question of the rental scale. I have said this before, and I said at the time of my introductory remarks on second reading, that I felt there is constant review of this. I remember in my previous responsibilities there was constant discussion with the public housing tenants' association.

Mr. Bounsall: Show us the results.

Hon. Mr. Handleman: There was a problem. I'm not going to speak for my colleague, the Minister of Housing, I'm not going to commit him to any particular course of action. He obviously will have to make recommendations to the cabinet. If there are to be any changes, he will have to negotiate with the federal government.

Everybody seems to forget that the municipalities have a slightly more than small stake in the subsidization of the rent-geared-to-income plan. They have to be brought into this partnership too, because obviously any reduction in the rent scale for those in rent-geared-to-income units involves additional subsidies from the province, from the federal government and from the municipalities. I'm not too sure in their present circumstances whether they would be willing to accept that additional subsidy cost.

Mr. Cassidy: You accept that there is a problem now.

Hon. Mr. Handleman: I've had this exchange with the member for Ottawa Centre before. Again I put it to him, as I have the floor now and I might be able to do it without any rebuttal until he decides to interject, that there really is no great trust in public intervention or public operation or public ownership or public control. What they feel and what he feels is that the only kind of public control which is acceptable is NDP control. It's not public control, he is not really interested in this.

Mr. Renwick: No.

Hon. Mr. Handleman: In other words, if you're going to have socialism, leave it to the pros, that's the answer. I hear that all the time. Our view is that this programme has worked, despite all the problems we encountered in bringing in a new programme.

Interjections.

Mr. Speaker: Order please.

Hon. Mr. Handleman: There have been some attempts to make it appear as though the programme has no credibility. The tenants suddenly are realizing that it is a credible programme and it is working for them in the way it was intended to work. They have praised the programme with faint praise, I must say, saying that despite all of the objections the government has to this programme, it seems to be working for us in any event. They've said that and they continue to say it.

Mr. Cassidy: What about the photocopying?

Hon. Mr. Handleman: Those are administrative techniques that I'm prepared to discuss in estimates with my friend. It has nothing to do with the principle of this bill and certainly I don't intend to get into a long debate on administrative practices in the bill.

Mr. Cassidy: That's not trivial, that's serious.

Mr. Speaker: Order, please.

Hon. Mr. Handleman: There has been some discussion as to why we have done certain things. I want to make it clear that these are not things we dreamed up on the seat of our pants. The department of social services in the municipality of Metropolitan Toronto has pressed with some vigour, I would say, and with some justification, for an exclusion. I understand the Liberals now support the exemption of publicly-owned, limited-dividend housing because it applies primarily to Metro Toronto.

The first increase in 20 years was brought in on August 1, 1975. While the member for Beaches-Woodbine (Ms. Bryden) likes to talk about percentages, I would like just to point out what the actual amounts of the rent increases were. At that time, August 1, 1975, rents were increased \$12 per unit per month for bachelor units and \$25 per unit per month for one-bedroom units. That brought the rentals up to a low of \$47.75 and a high of \$72 for bachelor units and a low of \$67.25 and a high of \$104 for one-bedroom units—hardly exorbitant levels of rent in Metro Toronto.

But still, limited-dividend units incurred a loss of \$536,000. These operating losses were covered by the elimination of some of the reserves that had been accumulated over the years without any rent increases.

In 1976, there will be some rent increases. There will be a \$4.75 increase for a bachelor

unit. The suggestion was made that this be phased in. I assume we would phase in at the rate of about 35 cents a month in order to do it. There will be a \$7.50 a month increase for a one-bedroom unit.

In some cases, these are in excess of eight per cent. It just happens that there are some pretty low rents being paid. That would still result in a deficit of about \$322,000. Metropolitan Toronto has never declared a dividend on its limited-dividend housing and doesn't intend to. I feel they were quite justified in asking to be excluded from the Act.

In regard to universities, we've had letters from the presidents of the universities ever since the rent review officers' first decisions were made on university residences. I'm not going to read them all but simply say we've received them from many of the large universities in Ontario. We feel their funds should be used for education; that's the purpose for which they raise funds and they shouldn't have to be subsidizing student residences any more than they already do. We've had no complaints other than that students feel they should continue to have protection. There's been no evidence whatsoever put before us that they need this protection and we think, in line with our consistent policy of non-profit units being excluded, that they should continue to be.

On the rent-geared-to-income issue, all I can say is, as somebody said, a minority of the people is causing the distortions. The distortions are so drastic that it seems completely unfair. I've heard about this for many years—and the long waiting list of people who are trying to get into rent-geared-to-income housing. It's always been a problem. One of the things I found when I was Minister of Housing was that there was great mobility among the tenants of these units because of the rent-geared-to-income. The only incentive to move out was when your rent got too high so you would have to go to the market and get rental accommodation.

At the present time, we're creating a privileged class of people whose rents are frozen at almost ridiculously low rates in comparison with their incomes. I could stand here for hours and read out each and every one.

Mr. Cassidy: That's a deception, you know.

Hon. Mr. Handleman: The member for Scarborough-Ellesmere (Mr. Warner) may be interested in one from his riding. I have the

details here. It's a most amazing case. It's the case of a family having a combined income of \$21,000 who are paying \$74 a month rent.

If that's the kind of thing the member for Scarborough-Ellesmere wants to continue in this province I think he should stand up openly and say it. That's only one. I'm not going to repeat the hundreds of examples. I don't think we should be putting our civil servants to the trouble of finding them because we know there are hundreds, if not thousands, of these cases which have occurred in this province since rent review came in.

Mr. Cassidy: That's bull.

Hon. Mr. Handleman: I feel that if the NDP votes against this bill, it is voting to perpetuate that inconsistency.

Mr. Speaker: The motion is for second reading of Bill 60.

The House divided on the motion, which was approved on the following vote:

AYES	NAYS
Auld	Angus
Belanger	Bounsall
Bennett	Breaugh
Bernier	Bryden
Birch	Burr
Breithaupt	Cassidy
Brunelle	Davidson
Bullbrook	(Cambridge)
Conway	Davison
Cunningham	(Hamilton Centre)
Davis	Deans
Drea	di Santo
Eakins	Duksza
Eaton	Gigantes
Edighoffer	Godfrey
Evans	Lawlor
Ferris	Lewis
Gaunt	Lupusella
Good	MacDonald
Gregory	Mackenzie
Grossman	Makarchuk
Haggerty	Moffatt
Hall	Philip
Handleman	Renwick
Henderson	Samis
Hodgson	Sandeman
Irvine	Warner
Johnson	Wildman
(Wellington- Dufferin-Peel)	Ziemba—27.
Johnston	
(St. Catharines)	
Jones	
Kennedy	
Kerr	

AYES

Kerrio
 Lane
 Leluk
 MacBeth
 Maeck
 Mancini
 McCague
 McEwen
 McKeough
 McKessock
 McMurtry
 McNeil
 Meen
 Miller
 (Haldimand-Norfolk)
 Morrow
 Newman
 (Durham-York)
 Newman
 (Windsor-Walkerville)
 Nixon
 Parrott
 Reed
 (Halton-Burlington)
 Rhodes
 Riddell
 Roy
 Ruston
 Scrivener
 Shore
 Singer
 Smith
 (Hamilton Mountain)
 Smith
 (Hamilton West)
 Snow
 Spence
 Stephenson
 Sweeney
 Tavlör
 Villeneuve
 Welch
 Williams
 Wiseman
 Worton
 Yakabuski—72.

Clerk of the House: Mr. Speaker, the "ayes" are 72, the "nays" are 27.

Motion agreed to; second reading of the bill.

Mr. Speaker: Shall this bill be ordered for third reading?

Hon. Mr. Handleman: Committee of the whole House.

Mr. Speaker: Committee of the whole House? So ordered. Agreed.

PUBLIC HEALTH AMENDMENT ACT

Hon. B. Stephenson moved second reading of Bill 59, An Act to amend the Public Health Act.

Hon. B. Stephenson: For the information of the House, I will move an amendment to section 118 (2b) of the Public Health Act. Section 118 (2b) is set out in full in section 4 of the bill. The amendment is a more concise statement of the responsibilities of directors and officers of corporations. The amendment does not change the principle of responsibility, but the language is clearer and I think it provides a more equitable onus of proof.

Mr. Speaker: Does any hon. member wish to speak on this bill? The Leader of the Opposition.

Mr. Lewis: Mr. Speaker, does the minister wish to make no other comment on the bill?

[5:00]

Hon. B. Stephenson: At the moment, no.

Mr. Lewis: At the moment, no? Okay, fine.

Mr. Speaker, I have some extended comments to make on this bill, extended mostly because the situation of labs is such a difficult and complicated one that I am not sure I have mastered all the material in a way that can be coherently conveyed, but there are a number of points which we would like to make on this side of the Legislature, and I shall begin to do so for the New Democratic Party, with a number of my colleagues following.

To put it quite simply, we will not support this bill. Frankly, it adds little or nothing to the situation as it already exists within the Ministry of Health. The bill is a simple mask for inaction. There is nothing about the bill which adds significantly to the improvement in the laboratory confusion which now exists and it is, I'm sorry to say, indicative of the Ministry of Health that it would bring in a bill of such palpable inconsequence in the face of such great public concern over the private laboratory network.

It is, if I may say so, an indictment of the failure of the ministry to come to grips over the last several years with the question of laboratory services. It suggests again—and one day I hope we can understand all of this; I must admit to the acting Minister of Health that I don't understand it myself—what it is about the technocrats in the ministry, the cabinet itself and the strength of the medical profession, which makes it so difficult to come to grips with a subject, the problems in which

most of us understand and the solutions for which seem to be readily evident.

No one will act, and this bill does not provide a vehicle for action. In fact, this bill is really an insult to the legislative process. Other than as a facile response, not very honourable or merit-worthy, I fail to understand why this bill was brought in at all, given the amendments to the Public Health Act which Dr. Richard Potter introduced in 1972. Given the subject matter that we're likely to be debating this afternoon and thereafter, and given the explanatory notes that accompany this bill, let me remind the minister of what was said by Dr. Potter on June 20, 1972, when the original bill came in, because it is so instructive as a context within which this debate might take place.

Dr. Potter said on June 20, 1972, after a number of people had spoken, the most recent being my colleague, the hon. member for Riverdale (Mr. Renwick):

I was delighted to hear the response of the hon. members on the other side of the House concerning this bill.

The bill to control private labs.

I, too, have felt very strongly about it and that's why it is here. I feel strongly about the fact that we have had such a tremendous increase in the use of our laboratory facilities, and the escalating costs of laboratory facilities in the province since this became covered by the insurance programme. There was certainly every indication here to prove to us that it was time we stepped in and had some kind of control.

I, too, agree that this should be a responsibility of our insurance programme through our own provincial laboratories and our licensed hospitals.

Here, in June, 1972, we have a Minister of Health who had his innovative moments. Richard Potter from time to time was an iconoclast. He gave way to the medical profession and he had to be moved; but in his early days, and in his early days as the Minister of Health, he had a spasm from time to time in the direction of useful social change. His intention in the field of labs seemed to be a good one. And notice that he not only identifies the reality of money from OHIP going to labs but he also says that it should be handled through the hospitals' common lab system and the public lab system. He goes on:

This is the way it always was for a good many years. It's only since the lucrative field, shall we say, of private laboratories opened up that we found a tremendous number of labs opening in the province. It was with this in mind that we brought in this legislation to control the licensing of the laboratories and control the types of tests that they will be licensed to perform.

That was an explicit assertion by Richard Potter on June 20, 1972.

In terms of the licensing which the minister has the right to impose by regulation, or indeed in terms of the right to withdraw the

licence, what in this bill is markedly different from that which Dr. Potter identifies when speaking to the bill on June 20, 1972?

Dr. Potter, to his credit, went on. He said:

At the present time, the laboratories that are now operating will be inspected and will be licensed to perform certain tasks. Any applications for new laboratories will be met when it can be shown that there is an actual need in that specific area for the tests to be performed and that there are no other facilities available. With the types of facilities we have today and the types of tests that can be done, many people can be transported to them very quickly and tests can be performed much more cheaply in large numbers than they can be by setting up laboratories in many areas.

In other words, the allegedly novel right which the minister now arrogates to himself existed at the point at which the bill was introduced in June, 1972, to control the licensing of the labs. As a matter of fact, the kinds of criteria which were to be developed for the disposition of the licences are exactly the kinds of criteria which the minister includes in section 2 (45i) of this allegedly new bill.

Dr. Potter continued:

As was asked here a minute or two ago—

it was asked by the member for Riverdale:

—under section (f) of these regulations "prescribing classes of persons who shall not be owners of laboratories or of any interest therein," I, for one, do not believe that any physician, any practising physician, who is practising medicine, should be involved in any connection with laboratories, any more than I think he should have anything to do with nursing homes.

Interesting. In June, 1972, Dr. Potter makes that unequivocal statement. It is now almost four years later, and the same regulation which existed in June, 1972, to remove what Dr. Potter identifies as a clear conflict of interest, has never been implemented by this ministry. It is still there. This bill does nothing to change that. The regulation which the ministry has on its books to control what Dr. Potter identified almost four years ago as a conflict of interest hasn't been altered, and yet the minister pretends with this bill that it will be altered.

The minister will forgive the official opposition if we have a lack of faith, a simple lack of confidence in the ministry to enact now what it has refused to uphold for four years with all the authority in the world. The ultimate irony about all that—and I will come to it in a moment—is that in this bill there is still no clause which prevents a conflict of interest for the physician.

If Dr. Potter, in June, 1972, was speaking on behalf of the government, as the Minister of Health expressing government policy, that a physician should not have a dual interest,

i.e. accreditation in a hospital and ownership of a laboratory, then almost four years later this minister has repudiated that principle.

Somehow, the Ministry of Health and cabinet have decided that a conflict of interest is acceptable. All they deal with in this bill is a more refined definition of kickbacks. But as my colleague from Riverdale has suggested to me and to my caucus-mates a number of times over the last couple of weeks, kickbacks can be dealt with in the Criminal Code. There is no reason for this additional clause, although there is no harm in it being there, but it sure as the devil isn't sufficient justification of its own to give support to a bill which is a mirror image of what we already passed and was never implemented.

Just to show how mindlessly repetitive this bill is in the position the government now is taking in relation to the position in June of 1972, and what a total cop-out it is in terms of defending the public interest, Dr. Potter went on:

By the same token, under section (m) which was questioned, "instituting a system for the payment by the province of all or any part of the annual expenditures of laboratories in lieu of the amounts payable under the Health Insurance Act," already we have instituted in our hospital laboratories a budget type of payment. I think this is one method that I would like to consider for the private laboratories to get away from the fee-for-service basis. Under a system such as this, we would get away from the suggestion that was made here earlier today of the kickbacks and this type of thing.

What a funny, antiquated hypnotic kind of resonance this speech of Dr. Potter's became. The minister should emblazon it on some drawing board, blow it up and put it over the desks of OHIP officialdom, because everything that was said in this Legislature by the Minister of Health four years ago has been repudiated by the Ministry of Health through the intervening period.

It really is a commentary on the way this government works that the minister introduces a bill today with no more teeth than it had before and she is trying to fob it off on the public as though she is doing something. With the greatest of respect, she is doing nothing. As a matter of fact, there was more feeling for the issue four years ago than there is today.

Dr. Potter went on, and I won't quote him much longer but it's worth having on the record:

I think that the public must be made aware that health facilities and health services, as we are providing them for the citizens of Ontario, are for the citizens; that we are not providing them as a method of making a fast buck or as a convenience for either the physician or for the patient; that we are providing them as a needed service and, as such, we are not going to stand by and see some individuals

make a racket out of it or make a lot of money out of it. I expect anyone to make a decent salary and to make a fair profit but I don't expect people to make a killing out of some of these things that are necessary for the rest of the citizens of Ontario.

Let those words haunt the government. There, in simple form, is an explicit statement of everything the government has allowed to happen over the last four years. There is its indictment. If we were reading it before a criminal prosecution dealing with, let us say the doctors who violated propriety in their transactions with Abko, this would form an indictment of particulars quite sufficient in itself.

Four years later the government has the temerity, the presumption, to bring in a bill which means nothing. The government asks us to accept it with some kind of enthusiasm in the Legislature, when all it is doing is ploughing irrelevant ground which it furrowed irrelevantly itself four years ago.

I wonder what old Doc Potter would think now? That earthy, charming, gregarious fellow presumably thought he spoke in good faith in 1972, only to be betrayed by everyone around him. As a result of the betrayal of what this Legislature was given in good faith from the mouth of the Minister of Health in 1972, we have lost somewhere between \$30 million and \$40 million of public money which the government has squandered. We have invited a scurrilous arrangement of kick-backs and impropriety. We have not yet dealt with conflict of interest and we have only had the occasional fragile public experiment to respond to what we all understood four years ago was an inherent danger. I don't understand how that works.

I must say to the acting Minister of Health I realize that she has inherited this situation and she is now attempting to deal with it. I suggest, respectfully, that she is being taken in by the alleged substance of the bill. I don't know how she gets away with it. I don't know how all of this is possible—four years later the government is prepared to go through the same ritual again. We're not prepared to support it. We're not prepared to support the same ministry, which repudiated its commitments for four years, in its alleged reversal of heart in May, 1976.

Let me go further. We have heard from my colleague the member for Parkdale (Mr. Duksza) references to the Committee on the Healing Arts, I guess, which gave its report in 1970 raising questions about the whole private lab network. The leader of the Liberal Party has made reference to a document or documents dealing with tenders and other matters. I imagine that will emerge during the course of the debate.

Clearly the Ministry of Health was seized of the problem and many of its people met on it and discussed it. Clearly, even though they knew the words of Dr. Potter, it is now revealed that none of them took it seriously, none of them ever treated it seriously. The government made buffoons of us in this Legislature and we object to that. It used its power as a government in 1972 to pull a mask over the difficulty of private labs and then systematically closed the door on action. I must say it's not particularly pleasant to have been hurtled from the Bunsen burner into the fire, because that is what happened in the intervening four years.

[5:15]

Quickly, leading from the principle of the bill, I and my colleagues think that the bill itself is irrelevant in most parts. The bill adds a fine here or there and a more explicit definition of kickbacks, but it is irrelevant to the main point, that we continue to need a public inquiry in this area. May I say to the acting Minister of Health I have always been one, and I've said it publicly, who appreciates the caution with which the Attorney General (Mr. McMurtry) approaches public inquiries. I feel reassured that there is an Attorney General who says that public inquiries shouldn't be fishing expeditions, that if you give us enough information we will consider one.

I must say, in the context of this debate on private labs, now that we have had the Abko revelations from the member for High Park-Swansea (Mr. Ziemba)—almost all of them, in fact I think all of them—vindicated, with one small exception by the College of Physicians and Surgeons; now that the government has had the reference to S and M Labs in the Legislature, none of which references have been effectively repudiated by the government and they're under clear investigation; now that it has had material turned over again by the member for High Park-Swansea to the OPP, just yesterday; now that it has had evidence, at least in news reports, I presume by journalists of reasonable character, that investigators discussed the using of guns and that the OPP anti-racket squad is worried about underworld money; now that the government has a sense of so many labs being inquired into and much of this creating confusion and anxiety: It really needs a public inquiry.

One of the arguments I found most specious today was the suggestion that the government couldn't conduct a police inquiry concurrent with a public inquiry. Of course it can. There is no reason why it shouldn't

be done. As a matter of fact, I remember public inquiries where that was the case and where evidence from further OPP investigations was brought before the judge who was appointed during the course of the inquiry.

The government has enough that is now brewing and simmering, about private labs. There is evidence on every front. It's a Pandora's box, which opens week by week, which should make the acting Minister of Health insist that a public inquiry be called.

I really must say that the behaviour of the Ministry of Health in this regard is inexcusable. I really don't know where the revelations will end but I hope they end soon just to put everybody's mind at rest. Let me take it a step further, which we in this caucus consider most serious of all, because damnably enough, there will always be impropriety in this world and there will always be those who will abuse the public system. The government's refusal to ferret them out and deal with them is our collective problem, but there are other problems as well.

The other problem is that the government has allowed public money to be abused by the way in which it administers the Ontario Health Insurance Plan and its relationship with the setting of fees for private laboratories. That is quite unforgivable. It is truly unforgivable that the government created such a stir, such a sensation through the Province of Ontario, running around and closing down small hospitals in small communities when it has known for four years, with an enormous welter of evidence, that it could make much greater savings overall by reforming the way in which the private labs were dealt with from the public purse. Why the government refuses to come to grips with something which is so palpable yet deal with something which is so vulnerable, speaks to its perversity rather than to its acumen or to its willingness to deal effectively with the health delivery system.

I think it's truly immoral to continue the present system much longer. I just hope this debate and the public focus and everything else—and I admit that I'm learning and groping a bit in what I try to absorb about these private labs, public labs and hospital labs, and I don't speak with the authority of the medical profession or anyone else who has expertise; I have only had my finger pricked on occasion, blood drawn and then the mystery is performed and I get the results—but I must say that even the little I have been able to absorb suggests to me

that the minister's priorities are really quite dreadful.

I want to deal, therefore, with one or two specific points in the bill in sequence, to make the case for the waste of money—my, a lot of it is interesting—and to make the case for what the government should be doing.

No. 1: There is nothing in this bill which prohibits a conflict of interest; nothing. There is nothing in this bill which says to the medical profession: "There is an inherent conflict of interest in your being a doctor of a hospital in the pathology division and at the same time owning a private lab facility." It is beyond human scope to ask perfectly normal people like doctors, or perhaps perfectly abnormal people like doctors, to have a patient come to them, present himself or herself for a series of tests, and then try to decide: "Do I refer you to the hospital lab or do I refer you to the private lab where I have a private financial interest?"

It is just too much to ask of the medical profession, and it is not right that it should continue to persist. There have to be some rules and regulations set out in this Act, and it contains such rules and regulations nowhere that we can discern, which simply say to the medical profession: "Look, you've every right in the world to practise medicine and to perform tests in hospital, but to have a private financial interest in a related lab is a conflict of interest which is not brooked by the laws of Ontario."

That is exactly what Dr. Potter said: "I, for one, do not believe that any physician, any practising physician who is practising medicine, should be involved in any connection with laboratories." And Dr. Potter is right. Isn't it amazing that four years later, in 1976, we still haven't got that principle in this bill.

How can the minister ask the opposition to support it? How can she ask us to support it? Why; because she simply throws in something about kickbacks, which is dealt with ineffectually by the College of Physicians and Surgeons and can be dealt with effectively by the law? She can't ask us to support a bill on those grounds alone. The central issue, which involves the protection of the public and the medical profession, she has not even dealt with.

The second point; the billing procedures. The bill makes no changes which would limit the kind or amount of billing done by private labs. No, it doesn't, no; you have the right which you have had for years.

Hon. B. Stephenson: It does not fall within this Act.

Mr. Lewis: Oh it doesn't fall within this Act? But it does fall within this Act. With great respect, the regulation which gives the minister the opportunity to pay in a fashion other than fee-for-service for tests and services performed, that regulation flowing from this Act will give her the right to alter the fee schedule in a way which would prohibit the abuse, and that is perfectly a part of this Act. How can she bring in an amendment to the Public Health Act dealing with the present public controversy if she is not going to come to grips with the OMA fee schedule paying private labs?

I want to make some comments about that, because that seems to me to be the crux of the matter and for some reason the Minister of Health will not deal with it. The New Democratic Party would like to put to her a formula called the least-cost principle. I know that least-cost is not something that commends itself to government—to this government—but we believe the least-cost principle makes sense. What we are doing with the Ontario Medical Association fee schedule paying for lab services performed—if I understand it now—is rewarding the manual performance of the tests in a disproportionate fashion. The ministry has set up a fee schedule in conjunction with the Ontario Medical Association that supports or reinforces increased payments. It has set up a fee schedule which is weighted to the performance of tests manually, rather than by automated means, and which costs the public an enormous amount of money.

For example, let me be very specific. The minister, because it's her field not mine, will know there is something called the Coulter counter, the Coulter S. The Coulter S is a machine which takes a single sample and performs a multiple test. When one is dealing with something as simple as blood, haematology testing, using the Coulter S—I'm using it as an example—which is widely used in the public hospitals of Ontario, let me remind the minister, used I guess in 90 per cent or better of the public hospitals in Ontario, seven tests can be done in 40 seconds.

They do a white cell count; a red cell count; haemoglobin; haematocrit, MCV, meaning mean cell volumes; HCM, meaning mean cell haemoglobin; and MCHC, meaning mean corpuscular haemoglobin concentration. Those latter three tests are simply thrown in by the Coulter S. The four tests performed in 40 seconds by the Coulter test, an excellent,

scrupulous, automated piece of equipment, are done manually and are billed on a separate unit basis. If one does those tests manually, one will charge OHIP \$5.66. If one does those tests through the Coulter counter, one will charge OHIP exactly \$2 because they are classed as multi-channel haematology under the payment schedule.

Just let the acting minister ponder on that for a moment. I imagine that the test which is most frequently requested by physicians is a simple blood test, simple haematology. If it goes through a hospital in-common lab, the cost to the public is \$2. If it goes through the private lab network—where there is only one lab in Ontario now reporting the use of a Coulter counter or a private automated piece of that kind, only one lab reporting the use of that kind of machinery—the cost would be \$5.66.

As a matter of fact, here's something I'd like the minister to inquire into; inquire into the number of private labs in Ontario that have the automated equipment and don't use it because it is more lucrative for them to bill on the manual basis. Ironically, where one performs multiple testing with a single specimen, even then it's more lucrative for the private labs to do it on that basis in terms of the money they receive from OHIP.

In other words, we have stacked the Ontario Health Insurance Plan in its payment to the private labs in favour of manual, laborious, more inefficient testing and we are paying enormous additional amounts of money as a result. I did a little bit of personal inquiry just to try to sense these automated pieces of equipment, and it really interested me to note how heavily they are used in some of the public hospitals and how they are very rarely used in the private labs. Yet for the private labs there is no limit on the amount of money they can extort; yet for the public hospitals the ministry has placed a very fierce limit on what they can take.

Let me come then to what might be provided. The ministry could provide a fee schedule which works on what is called the least-cost principle, whereby one rate is set for the test, and that's the lowest automated rate and no matter how the test is performed that's what the government pays and not a penny more.

[5:30]

Alternately, the government could set a standard rate, which is a little lower than the manual rate and a little higher than the automated rate, but the only rate which is paid. Or, it could do as Alberta does. I have their fee schedule with me, and I assume the min-

ister has looked at it. Ontario could set up a payment schedule which is based on number, volume of tests and speed and automation.

Again, they pay significantly less in Alberta than we pay in Ontario. For whatever reason, the Ontario Medical Association has constructed a fee schedule, approved by the Province of Ontario, which invites abuse. They have constructed a fee schedule which places the dependence on high-cost services, and it's time the minister put an end to that.

It's time that the whole fee schedule were revamped in order to implement the least-cost principle. When I think of the difference between \$5.66 for blood sample as opposed to \$2—more than 2½ times the cost to the public purse of what should be permitted—then I can see what the real problem is. The real problem doesn't simply lie in the area of those doctors who abuse the system through kickbacks, the problem lies in the way in which the ministry has fashioned the whole payment model.

Yet in this legislation, so far as we can see, the minister has refused to implement the regulations which she has at her command to put an end to that kind of nonsense. Now, Dr. Potter acknowledged it in 1972; and on March 3 of this year, the minister suggested that basing the fee on volume was an alternative the ministry was considering. Well where's the alternative? It's now May 4. We have to wait forever for the Ministry of Health.

By the by, does the minister know it's two months to the day that I wrote the letter to the Ministry of Health asking for those reported tests on the asbestos counts at Hedman Mines? How long does one have to wait around this joint in order to get some kind of initiative or response from the Ministry of Health? And so far nothing that would pull into check the fee schedule.

So that brings up the third point I want to make, and it deals with the enforcement provisions in the legislation. Although the bill gives the minister the power to limit tests, she has no idea of whether or not the labs are billing for appropriate procedures. There's been nothing established within the ministry through its computers to check whether or not a private lab is behaving appropriately.

I am told that one of the more ludicrous scenes recently witnessed at Queen's Park was when certain journalists—one at least from the Toronto Star—watched the computer programmers attempt to extract information about Abko Medical Laboratory and other labs from the OHIP computer. Neither the computer programmers—that is, the ministry officials—nor the police, nor anyone else could

get any pertinent information out of the ministry's computers.

What the ministry has done is construct a fail-safe system for public abuse. It's got a neat little foolproof monolith in OHIP which has made it possible that a fee payment schedule which is wrong—which rewards disproportionate inefficiency—a fee payment schedule which encourages abuse and a system which has no policing, should be continued to eternity. The minister smiles when the public pays \$70 million to \$80 million in 1975-76 and something over \$17 million in 1971. That's an increase of 350 per cent in OHIP payments alone.

I say again, it really sticks in the craw when you think of the \$7 million or \$8 million the ministry allegedly saved in the closing down of all those little hospitals, while it had a pot of gold at the end of this private lab network that it was never willing to extract for public use.

As a matter of fact, the minister doesn't even have in this bill a requirement that the private labs pay the public the money that they may have spent in kickbacks or in procedures illegitimately billed. We don't even have in this bill a way of our getting back the money to which the public should have access. There is nothing here which would say to the private labs, where we find proof of culpability, "You have an obligation to return to the public a given amount of money." This bill is a *carte blanche* to continue doing in the future what has been going on since June, 1972, and we just won't support it. We just won't support legislation as clearly inconsequential as this.

That brings me to the fourth point I want to make. What is the answer to this whole private lab mess? How the devil did we get into it and how the devil do we get out of it? It seems to me that the answer—and again the ministry has known it for as long as any of us have been around—lies largely in the kind of study that was provided by the Hamilton group of hospitals, and I concede happily and willingly, with the support of the ministry, published in the *Canadian Medical Association Journal* I guess just yesterday. What felicitous timing for this debate.

The report, which is made by the Hamilton hospitals which attempted an integrated lab programme, is absolutely overwhelming. There is no more room for argument. The whole debate is irrelevant. We don't have to discuss it any more. There are few things which are vested with as much certitude as this report. Why are we then here dealing with this bill which touches on the periphery rather than the core?

They make a couple of notable in-passing references to these people who have produced the report; these eminent medical specialists. They say: "Although professional staff provide extensive clinical and consultative services they accept no professional fees, nor do any of them have a personal financial interest in outside laboratory services." Again, the same refrain is struck. So where is it in the legislation?

I've turned to all of my legal counsel, and this party is rife with experts on legislation. We can't find anywhere that there is a protection against the conflict of interest I have already raised, yet clearly that was the core of what this experiment was all about; a comprehensive, integrated experiment to allow the hospitals in Hamilton and vicinity to do through their public in-common labs the kind of thing that we can't do in a private lab.

Then I go on to the end of their reporting. They say: "The major difficulty facing further expansion of hospital outpatient laboratory services can be directly attributed to the method of funding by the Ontario government." Does the minister need anything more conclusive? The minister says to me that it is within this bill? Balderdash. Where is it?

When is she going to come to grips with reality? Why does she play these charades with us? Isn't it enough that the ministry pulled the wool over everyone's eyes in June of 1972? Why must she be so insistent on doing it again? Here we have a report, partly supported with funds from the ministry, which indicates what she should do and then she brings in a bill which does none of it. How is it worthy of support? They go on to say:

Commercial laboratories bill the government for all the tests they perform and their revenue rises in direct proportion to volume. The fee schedule makes no allowance for the volume of tests performed and therefore it does not reflect the low incremental cost achieved by the most up-to-date automated equipment.

Again, the points we have been making. Why is it not possible for the government to move when matters are presented so conclusively?

They go on to say:

The Ontario Ministry of Health is urged to change the funding method so that the actual cost of diagnostic and laboratory services is met by an appropriate realistic level of support for public hospitals and commercial laboratories etc.

I have asked some of our research people and some of those with whom we met,

knowledgeable in the field, "What can we do? Is there any way of getting out of this private lab fiasco?"

I will tell the minister what we did, which may be of some interest to her. We looked at the hospital statistics of 1974, the most recent material we could find on labs. We looked at all of the in-common hospital labs by hospital and we said, "Suppose all of the in-common labs were operating at the best level of efficiency in a group of hospitals or in certain individual hospitals, or suppose they were operating at a level of efficiency equivalent to that of the average public health lab. Would there be sufficient excess capacity in the hospital labs to absorb much of the work of the private lab network?"

The findings, in fact, were startling. Let me assure the minister that we took into account some of the factors which we simply do not have access to. We couldn't find out the exact distribution of tests being done in the hospital lab and private lab sectors, although we can get a pretty good idea of it by consultation. We couldn't get the 1975 DBS unit workload of hospital labs, because only the 1974 figures are available and there may have been some expansion, which I concede in advance. We didn't get the exact reasons for the widely varying workloads in hospital labs, although that is probably a judgement call which can be made looking at the hospital lab in the vicinity it serves.

But we did have enough. We had a lot of basic raw data; and we have something more which we value. We went to the public health lab in Woodstock and looked carefully at the number of DBS units which it performs. The minister well knows—and I am putting it on the record because it's important—that DBS is simply a workload measure for every single test; It's a one-person, one-minute measure which the Dominion Bureau of Statistics arrives at. In order to make a faithful comparison between hospital labs and private labs, it is necessary to calculate the equivalent LMS, the labour-material-supervision formula, which the private labs use. So there is a conversion factor involved. It is very tough to get one's hands on the conversion factor, and one of the great values was that the head of the public health lab in Woodstock, a man of supreme excellence, Dr. Michael Casselman, whose judgement is unfailing—

Hon. Mr. Parrott: He is not the head of the lab.

Mr. Lewis: —and I note that he subsequently sought and won the candidacy for

the New Democratic Party in Oxford riding. But I am sure, since he worked for the public health service for so many years of estimable contribution, that the minister would regard the integrity of his figures with as much favour as we do.

What Dr. Michael Casselman did, as an expert in his field and as the head of the lab, was to take out the controls, the standards and the repeats, as they are called, when you calculate the DBS units, and worked out the LMS unit equivalent. It turned out to be a conversion factor of 0.48 per cent. In other words, you get the total number of DBS units; and the LMS equivalent, when you take out those other matters, is approximately 50 per cent of DBS. It's a very useful conversion factor to have. He did this, test by test. Then we checked it with hospital labs and with other doctors in the public and private field; they looked at that conversion factor. Then we looked at the conversion factor in the Hamilton study, just tabled.

Interestingly enough, they go through the same procedure in order to arrive at a calculation of cost saving. So I feel pretty good about that, and I wish that since it was possible, even in a rough and ready way, for us to do it in the New Democratic caucus and, I suspect, for the Liberal party to do it, it really makes you wonder why the government has never come to grips with it. The horrendous additional expenditures we are paying through the public purse would never have been tolerated had the ministry done the calculation.

To put it in simple terms, using the summary hospital data—that is, the overall data for all of the hospital groups, group A, B, C, etc.—and extracting the most efficient hospital as far as lab tests are concerned, we found that the excess capacity was estimated at 137 million units measured on a LMS basis.

[5:45]

We also found that the private labs—this is a simple statistical calculation; one divides the total number of dollars paid out by 33½ cents per unit, which is what we pay in OHIP—one finds that the private labs for the year under examination did 177 million units of work. There is excess capacity in the public hospital system of 137 million units. In other words, using the most efficient hospital in overall groupings, 77 per cent of the current private lab work could presumably be absorbed in the public hospitals.

Let me take it a step further. Knowing that that was kind of a gross calculation, we refined it and we looked at the individual

hospital within these broad categories. We looked at the hospitals with over 900 beds; and 500 to 899 beds; and 100 to 499 beds in group A. We looked at all the bed breakdowns in group B, and we looked at the breakdowns in group C. Refining the calculation a little more and, again, using an efficiency level of the most efficient hospital in lab performance in that given group, we learned that the excess capacity in public hospitals—that is, capacity which could be performed—was 85 million units; or 48 per cent of the current private lab workload on that basis could be absorbed currently into the hospital workload.

When we looked at the efficiency of the public lab, we took an average here because if we took the most efficient which, I believe, is the Soo lab, it was such a high level of efficiency we decided that would distort the calculation. We wanted the calculation to be authentic and legitimate so we took the average in the public health labs and we learned, to our amazement, that the excess capacity in the hospital system using the efficiency of the public health labs was something like 173 million units. To put it another way, we could absorb 92 per cent of the workload presently done in the private labs in the hospitals on that basis.

I will recapitulate for the House. If we convert, as we must convert, the DBS units into the LMS units for purposes of comparison—which we have scrupulously done using Woodstock as the crucible—and if we take a look at the levels of efficiency in the various hospital groupings and in the public labs we find that the public hospitals now could absorb between 48 per cent and 92 per cent of the work being done in the private labs at this moment without any further duress.

The minister shakes her head. She's worried about the formula; she doesn't believe the content. She should go back, if I may suggest, and read this Hamilton study which points out conclusively that everything we are saying is valid because that's exactly what they've done in Hamilton. The only thing which delimits what they've done in Hamilton is additional money from the Ministry of Health.

As a matter of fact, what is true of all of this, of course, is if we are dealing with excess capacity we don't have to hire all that many additional people. We don't have to buy any new equipment. We may have to add some—what do they call it? What do we call the chemicals they mix?

An hon. member: Reagents.

Mr. Lewis: Reagents. We may have to buy some further reagents and we may have to add one or two technicians, I suppose. By and large, given the present hospital excess capacity, we could gradually eliminate the private labs in the Province of Ontario as a desperate call on the public purse and hire their personnel for any expansion of the public hospital lab network so we really don't have to worry about loss of jobs. We could integrate them in the public hospital networks and public lab networks.

May I say to the minister that since the whole rationale of the Hamilton study was to provide non-profit lab service, I want to know why it's necessary to shell out \$70 million to \$80 million from OHIP in this fiscal year to serve a profit to a great many entrepreneurs, some of whose actions are suspect and all of whose system is under scrutiny.

If there were not such incredible intransigence in the Ministry of Health; if there were not such powerful medical control, I suspect, in the whole lab area—it's the Ontario Medical Association that sets the fee schedule, I remind the minister—surely it would be possible to do all this?

Mr. S. Smith: It goes even further; the assistant to the minister protects them.

Mr. Lewis: The leader of the Liberal Party says it may go even further; I don't comprehend it. All I know is that the facts are as clear as they have ever been. The minister knows the mess we are in. She understands what is being revealed about private labs; she knows that the fee payment schedule is skewered; she knows there are tests illegitimately performed.

Hon. B. Stephenson: No, I don't know that.

Mr. Lewis: You don't know that there are tests illegitimately performed?

I predict there are tests illegitimately performed somewhere in the Province of Ontario about to be made real. Okay? I live in the world of reality from time to time. I don't effuse over my technocratic little charts in the Ministry of Health, spinning fantasies and webs which bear no relation to the real world at all. I am prepared to predict there will be some illegitimate tests found in this OPP inquiry and investigation.

The government knows all that is wrong. It heard the words of the Minister of Health in 1972; it sees it made undertakings for four years none of which it followed. Yet

it brings in this insult to the legislative process, this amendment to the Public Health Act, which isn't worth the paper it is written on.

I take my seat and recapitulate, Mr. Speaker, there is nothing in this bill which eliminates conflict of interest. There is nothing in this bill which alters the fee payment schedule under the OMA and therefore saves the public the \$30 million to \$40 million a year which should be saved. There is nothing in this bill which acknowledges the transfer from private labs to the public sector which is now chronicled for all to see in the Hamilton experiment and available on a research basis to those who care to pursue it. There is nothing in this bill except a nod in the direction of kickbacks, which could be handled equally well by the Criminal Code. The bill is a comment on everything the Tory party stands for—vacuity and irrelevance—and we will not support it.

Mr. S. Smith: There being only a few moments left this afternoon, I have decided that what I would like to do is just touch on one or two points today and then, when the debate resumes, make the bulk of our argument with regard to this particular piece of legislation.

I think the situation with regard to the private labs in this province has been absolutely shameful and the interesting thing is that it is not as though the ministry was not warned about this some years ago. The hon. Leader of the Opposition has read some of the comments of Dr. Potter, the former Minister of Health. We can well imagine that Dr. Potter's comments were themselves based on information he received from his ministry, from the various civil servants who knew very well, five and six years ago, that the system of billing in the private laboratories was an open invitation not only to extravagance and dishonesty but simply, in the colloquial jargon, to rip off the system. It is practically an invitation to steal and even honest people would find difficulty resisting a system as idiotic as the one which has been in force.

The interesting thing is that if one looks at the Public Health Act, under regulation 45(N), there are a number of things the Lieutenant Governor in Council is permitted to do. The government can make regulations regarding a number of things including prescribing classes of persons who shall not be owners of laboratories or have any interest therein.

Yet it has done nothing. It has chosen to do nothing. It is interesting that in my repeated questioning in this Legislature which I will summarize on a future occasion, asking how long the ministry had known that this system of billing in the private labs was open to abuse and in fact could never possibly be considered efficient and was wasteful of public money, I kept getting the sort of obfuscating answers which were delivered by the Minister of Health (Mr. F. S. Miller) and by the acting Minister of Health (B. Stephenson). Various red herrings were introduced about so-called Ontario Council of Health documents, which were never requested and never referred to. In point of fact, I would like to read into the record a document dated June 18, 1972: "Submission to Management Committee on Medical Plan Funding Shortage." It's on Ministry of Health letterhead. It says:

Last year, the Policy and Priorities Board approved a \$50 million constraint package for health insurance in order to lower the rise in health costs. The constraints were approved for implementation in 1972-1973. Instructions have been received from the minister's office not to proceed with implementation of the constraints.

It goes on to comment on a few other things—they have to reinstate the \$50 million and so on—and says, under background information, in paragraph two:

The Policy and Priorities Board has approved the following constraints for tightening up the medical plan.

And it goes on to certain things like computer rules, medical necessity, formula payment, establishment standards, limits on benefits, restricting specialists rates and it goes on and this is the operative part:

"Replacement of fee-for-service in selected areas was also approved." The Policy and Priorities Board approved it. It goes on to salaries, capitation for clinics, community health centres, budget payments. Then: "No. 4, contracts for labs: Competitive bidding by private labs for provision of laboratory services." This was passed in 1971.

It is included in this document, the 1972 document. Then they go on to other payment methods, alternatives and certain conclusions about how they have to reinstate the money and so on and so forth.

It is perfectly obvious that the Ministry of Health has known for years that the system of billing that it has adopted for the private laboratories was an open invitation to abuse and inefficiency and an utter wasting of the

public funds. It is interesting that as laboratory costs have been climbing, from \$17.8 million in 1971-1972 to over \$30 million two years ago to the point where now, in the first six months of 1975-1976, it is \$34.6 million—it will probably come to a total of about \$70 million in this particular fiscal year—they have known full well that what was predicted by the civil servants and what was accepted by the Policy and Priorities Board of Cabinet was coming true.

Year by year they could see that, and yet rumour has it that the assistant to the Minister of Health, a certain practitioner from the Muskoka area, persists in advising the minister—and this is only rumour—that somehow this is private enterprise that's being involved. We are a private enterprise party, and I know we get a number of guffaws about this from the people to the right, but it is something we believe in, we're entitled, but we don't see these private laboratories as representing private enterprise at all.

Mr. Makarchuk: Sure they do, that's exactly the case.

Mr. S. Smith: These are simply ways in which public funds are channelled into private sources and, in fact, have no resemblance to true competition or trust private enterprise. This is a mistaken notion on the part of the Minister of Health.

Mr. MacDonald: That's private enterprise.

Mr. S. Smith: I did give your leader a certain amount of respect and listened to his very interesting address.

Mr. MacDonald: He was never as ludicrous at any point as you are being.

Mr. S. Smith: You might consider giving the same respect. You don't have to; you are entitled to carry on like kindergarten children.

Mr. Speaker: Would the hon. member think this is a convenient point to adjourn the debate?

Mr. S. Smith: I will summarize in just a moment, Mr. Speaker. What we intend to show, and what I will show as a little time goes by, is that there are all kinds of practices in the billing arrangement used by the labs, and that the system of paying at the rate of a least-efficient producer, something I brought up in this House before, was bound and certain to waste tens of millions of the public funds and this ministry has done nothing about it.

This bill is a superficial bill. It touches virtually nothing and I find the whole thing rather unnecessary. Whether we support or vote against it will probably depend strictly on the issue of whether we want an election or not.

Mr. Lewis: A memorable comment.

Mr. S. Smith: But the bill itself is actually a shameful piece of superficial garbage put forward by a government that for four years has allowed the public purse to be drained dry by unscrupulous methods of billing in the private lab system.

Mr. S. Smith moved the adjournment of the debate.

Motion agreed to.

Clerk of the House: The first order, resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

The House recessed at 6 p.m.

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